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THESIS

FACTORS OF EAST ASIAN MARITIME SECURITY

by

Bryce D. Butler

March 2003

Thesis Advisor:	H. Lyman Miller
Second Reader:	Edward A. Olsen

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**FACTORS OF EAST ASIAN MARITIME SECURITY**

Bryce D. Butler  
Lieutenant, United States Navy  
B.A., The Citadel, 1997

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March 2003**

Author: Bryce D. Butler

Approved by: H. Lyman Miller  
Thesis Advisor

Edward A. Olsen  
Second Reader

James J. Wirtz  
Chairman, Department of National Security  
Affairs

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## **ABSTRACT**

Since the end of the Cold War, the principle naval powers of East Asia--China, Japan, and the Republic of Korea--have increased the importance they attach to their maritime strategies relative to the changing situation in East Asia and adjoining waters. With the growing reliance on each of these countries on seaborne trade and supply of resources, including oil, the countries' maritime defense policies, including the sea lanes of communications (SLOCs), are more important than ever. The purpose of this thesis is to explore the maritime visions of these three countries, the changing maritime security environment they address the maritime territorial disputes, in which they are engaged and the potential for a naval arms race in East Asia. It assesses the impact of Korean reunification and Chinese reunification on their maritime strategies and prospects for a regional multilateral maritime security regime. This thesis emphasizes the importance of the U.S. Navy's forward presence in stabilizing potential problems at sea in East Asia.

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## EXECUTIVE SUMMARY

This thesis examines the manner in which the established East Asian navies, the People's Republic of China (PRC), Japan, and Republic of Korea (ROK), approach the issue of maritime security in East Asia. It treats their general orientation towards the sea, the immediate sea lanes of communication (SLOCs), the post-Cold War maritime order in East Asia, changes in general naval strategy, international legal changes to the regional maritime order, territorial conflicts in the region, the South China Sea dispute, and the potential for a naval arms race in East Asia.

The navies of China, Japan, and South Korea all share the dream of blue-water operations. However, East Asian maritime security is constrained by international political outlooks, as is the case in Japan, the fear of an arms race in China, and smaller scale funding as in South Korea, especially after the Asian financial crisis of 1997. None of the three leading East Asian navies possesses combatants larger than a destroyer, therefore limiting their range of operations to the immediate area without logistic support. The East Asia navies are fleets of working-class ships. None of the navies has high cost, upper echelon naval combatants such as cruisers or carriers for protracted employment. The East Asian navies, therefore, are in no danger of approaching the bloated Churchillian "luxury fleet" status of battleship fleets like the Kriegsmarine exiting the Kiel Canal during World War I.

The East Asian naval powers envision their respective fleets as power projection instruments to protect commerce and energy flows. All are in different stages of development. Japan clearly possesses the ability to patrol its extended SLOCs. China and South Korea focus on immediate contingencies in Taiwan and the Korean Peninsula respectively. However, the PRC and ROK are actively pursuing long-range capabilities at sea to protect national interests such as the flow of energy products and sea-based resources. Both are in position to push their maritime roles outward to the extended SLOCs. China in particular is working to extend its maritime reach using its limited naval resources in the South China Sea and Southeast Asia.

The East Asian navies therefore are at a turning point in expanding their capabilities in extending their reach over the extended SLOCs. The East Asian navies are clearly not competitive as much as they are complementary in preserving the status quo in the immediate region. The United States Navy will continue to be relied upon as the extended reach for China, Japan, and South Korea's maritime interests outside of East and Southeast Asia. The East Asian navies and their development are all rich with potential, but they still lack the capability to enforce long-range SLOC security without the United States Navy. In the end, the balance among the East Asian naval powers in protecting their immediate areas of interest in the region complements the United States Navy's vision of security while preventing the rise of a regional power. The economic focus of these countries - the PRC, Japan, and South Korea - ensures the ability of the United States to

remain the predominant power in East Asian maritime security.

Changes in the maritime environment in East Asia since the end of the post-Cold War have enhanced insecurity rather than stability. The UNCLOS, though well intentioned, has had multiple impacts including rearranging the maritime borders of nations and creating new conflicts over resources in and below the ocean. Conflicts over the islands of East Asia, including the Senkaku/Diaoyu islands and Tokdo/Takeshima islands, were exacerbated by international law. Conflicting claims in the South China Sea added instability to the maritime regime of East Asia and potentially disrupting energy flows from the Middle East. These disputes go hand in hand with emerging exploration for non-living resources in East Asia, particularly energy resources.

The transport of energy from the Middle East aided in the rise of East Asia economically, but at the same time it exposes a weak link that could potentially cripple the vibrant economies of East Asia in similar fashion to the Asian Financial Crisis of 1997. Expansion of the PLAN, JMSDF, and ROKN southward will only serve to alarm each nation with respect to its energy security. China's maritime assertiveness would serve only to strengthen the JMSDF and ROKN and vice versa. The size of fleets, maritime visions, changes in international regimes, and energy demands drive the three navies to look outward, but economic, political and historic tensions pull them inward. Given these forces, continued U.S. Navy protection of the

extended East Asian SLOCs seems the only viable answer, at a high cost to the United States.

The United States makes a point to remain outside of the debate over disputed islands in East Asia. American distancing policy in the South China Sea and Tokdo/Takeshima and Senkaku/Diaoyu islands disputes lends welcome consistency in maritime foreign policy beneficial for East Asia. In all likelihood, the situation will remain static, but strained. The disputed territories are largely ignored in the Sea of Japan and East China Sea. However, the South China Sea remains the most salient flashpoint pertinent to the security interests of East Asia. With respect to this disputed sea, above all else, Washington endorses freedom of navigation. This policy of ambivalence but continued presence in East Asian waters aids the U.S. security goal of preserving the flow of commerce. Engaging the regional navies in East and Southeast Asia over the issues of the South China Sea remains the best solution to this potential maritime choke point.

East Asian navies overwhelmingly continue to procure cost effective vessels, especially destroyers and submarines. Augmented with land-based patrol, fighter, and strike aircraft, these navies rely almost exclusively upon these ships to carry out the mission in the immediate vicinity of their countries. Compared with previous naval arms races, the East Asian navies are not building vessels at a high volume rate with appreciable power projection capabilities. Instead, they are procuring vessels to meet

limited goals and in most cases are not building ships to counter one another, a classic behavior of arms races.

The United States must continue to engage the region's navies given the importance of East Asia economically to America. The procurement of naval arms by Japan and South Korea is seen in favorable terms because of the systems are indigenously produced and of American origin. The slow expansion outward of the JMSDF and ROKN alleviates need for an enlarged American presence in the region and allows the United States to concentrate on new initiatives in the region and elsewhere in the War on Terrorism. China's naval growth must be watched closely and carefully. The acquisition of Russian systems changes the balance of power of East Asian maritime security, but not inexorably.

East Asia's navies continue to increase in size, but retain a limited scope of activities. The low rate of warship production and types of vessels under construction are not indicative of a rising arms race. On the contrary, East Asia's navies complement each other in the ability to protect the SLOCs of the region by the regional operations and restraint in further construction.

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## **I. INTRODUCTION**

This thesis examines the manner in which the established East Asian navies—those of the People's Republic of China (PRC), Japan, and Republic of Korea (ROK)--approach the issue of maritime security in East Asia. It will treat their general orientation towards the sea, the immediate Sea Lanes of Communication (SLOCs), the post-Cold War maritime order in East Asia, changes in general naval strategy, international legal changes to the regional maritime order, territorial conflicts in the region, the South China Sea dispute, and the potential for a naval arms race in East Asia.

The research for this thesis is drawn from both primary and secondary sources. The latter consist of books, professional and academic periodicals, and internet resources relevant to the developing security situation in the region.

### **A. IMPORTANCE OF THE REGION TO THE US**

The growing importance of trade from East Asia and the potential for conflict over territory, resources aiding development of the region, and the impact on the SLOCs provide the United States with a long-term security policy question deserving considerable attention. Forward deployed American forces in the region provide security and stability far beyond short-term contingency resolution and need to be considered for long-term prosperity. The question of maritime security in East Asia exceeds the importance it has garnered in recent government reviews, such as the Quadrennial Defense Review (QDR), and strategic

pronouncements in its current and potential importance to the United States economically and militarily.

## **B. OUTLINE OF CHAPTERS**

Chapter II introduces the underlying maritime strategies serving each nation's broader foreign policy vision. It deals with the emergence of maritime factors in trade and prosperity of the respective countries. In China and South Korea's case, it deals with the immediate possible contingencies of conflict facing the countries with Taiwan and on the Korean Peninsula respectively. Japan, on the other hand, possesses a Maritime Self Defense Force constrained by Japan's foreign policy legacy to a certain extent, although it is now operating beyond its traditional bounds in the war on terrorism.

Chapter III deals with the evolution of the maritime order in East Asia's post-Cold War context. In particular, it examines the concept of sea lanes of communication (SLOCs) and their relevance to the maritime situation in East Asia. Primarily, how important are the SLOCs and how viable is their defense by the local navies without the aid of the United States Navy? Additionally, the thesis examines the significance of SLOCs to energy, food, and raw materials imports to the aforementioned countries and their interlocking nature. The issue of the United Nations Convention on the Law of the Sea (UNCLOS) and territorial disputes at sea, largely over resources known and unknown, in East Asia is also be examined in this chapter.

Chapter IV looks into the dynamics of the disputes in East Asia in the South China Sea, the maritime flashpoint most likely to influence East Asia. It examines how each

government involved contends with its own claims and those of other nations, but will concentrate heavily on the Chinese vantage point. Additionally, it focuses on the U.S. approach to handling disputes in the South China Sea and its interests in the unimpeded flow of commerce through the area.

Chapter V examines the buildup of naval arms in East Asia. The increase in naval arms procurement in the region can be seen as reflecting anxieties about of an uncertain multipolar order following the Cold War. Some argue that the problem is self-initiated and a vicious cycle. This thesis explores the question of whether naval arms procurement in East Asia is a function of national maritime strategic visions or some other factors.

Chapter VI synthesizes how the factors of national maritime strategies, changes in the post-Cold War maritime regime, territorial disputes, and naval arms buildup in East Asia bear on the overall nature of the East Asian maritime order.

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## **II. STRATEGIC MARITIME VISIONS OF EAST ASIAN NATIONS**

Assessing the strategic visions and forces that drive China, Japan, and South Korea is important in determining the drive behind these nations' decisions to build increasingly powerful navies. Evaluating the maritime strategies of these three aforementioned countries with respect to their complementary or competitive aspects also serves as important indicator of the potential for conflict in a region where no multilateral security framework exists. In each of the three cases, there are immediate possibilities for contingencies (Taiwan and Korea) that drive each country in developing its maritime defense strategies. Other directions in maritime security are impelled by long-term perceptions of threat and strategic priority.

### **A. THE PEOPLE'S REPUBLIC OF CHINA**

#### **1. Chinese Maritime Tradition**

Long a continental power, China's growing regional and global interests are pushing it towards a land and maritime balance in the strategy of its foreign policy. In China's late imperial period, China seemed poised to take the lead in regional and global exploration by the sea. However, Qing ambivalence towards the sea and a greater need for consolidation of its frontiers in central Asia drove China to look inward to its continental boundaries. Some historians argue that China had no interests in projecting its dominion globally and instead only sought to dominate Asia. To a large extent, the Chinese sea-faring tradition

disappeared with the finish of the Treasure Fleets in the 15th century.<sup>1</sup>

Following the initial phase of development of the PRC between 1949 and 1976, China began to look outward in the maritime realm.<sup>2</sup> This initial period was overwhelmingly influenced by Mao Zedong, who looked at PRC maritime power as a great defensive wall at sea more than an instrument to exercise control over its extended contiguous seas. This was due in large part to the traditional continental orientation and Soviet training received in the formative years of the People's Liberation Army Navy (PLAN), which emphasized a continental mindset towards the usage of naval power.<sup>3</sup> Strictly defined, the PLAN during the Mao period served as a coastal navy or fleet-in-being during this period with limited capability to project force beyond the brown water of China's coastline into the open ocean and seas of East Asia.

The economic reformation of China launched under Deng Xiaoping from 1978 onward brought the use of maritime power by China to the forefront. Seeing the future of Chinese commerce flowing by sea from the numerous coastal special economic zones (SEZ's), China entered a new phase in its maritime strategy.<sup>4</sup> Jiang Zemin carried the navy's expansion a step farther with the building programs of the

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<sup>1</sup> "People's Liberation Army Navy," Global Security.org, Available Online at [<http://www.globalsecurity.org/military/world/china/plan-overview.htm>], 20 February 2003.

<sup>2</sup> Bernard Cole, *The Great Wall at Sea: China's Navy Enters the Twenty-First Century*, (Annapolis, Maryland: Naval Institute Press, 2001), 24.

<sup>3</sup> Norman Freidman, *Seapower as Strategy*, (Annapolis, Maryland: Naval Institute Press, 2001), 53-54.

<sup>4</sup> Cole, 26.

1990's brought about by the end of the Cold War and shifting threats to China's maritime security.

## **2. Current Maritime Orientation: Fact and Fiction**

The reality of China's maritime posture does not quite meet the grand visions of some Chinese naval officers and theorists. Instead, the PRC is vying to extend the reach of the PLAN with very limited resources. The PRC views the East and South China Seas as the theaters with the greatest potential for maritime conflict. Therefore, they have assigned the newest and most technically advanced units to these fleets, including the "Emergency Mobile Force."<sup>5</sup> Chinese maritime strategy has yet to reach maturity in extending the reach and power of the PRC beyond the South China Sea. The most daunting prospect in East Asia is the buildup of Chinese forces in the mid-to long-term. However, one has only to look so far as the patterns of acquisition and emphasis, or lack thereof, devoted to naval building. This will be discussed in greater depth in Chapter V.

The long-term vision of the PLAN emanates from Admiral Liu Huaqing--sometimes called China's Mahan or its Gorshkov-- the latter being infinitely more appropriate because of Liu's education in the USSR. Liu shifted the continental vision of a limited defense in the immediate area of China (150 to 600 nautical miles) to strengthen the security of China's maritime boundaries out to the so called "second island chain" composed of a line through the Kuriles, Japan, the Bonins, Marianas, and the Carolines.<sup>6</sup> This line of maritime strategic thinking led the PLAN to

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<sup>5</sup> "People's Liberation Army Navy."

<sup>6</sup> Ibid., 166.

invest heavily in ships of sea-going caliber, frigate-sized and larger, and logistic support. However, as is the case with visions of grandeur and reality, China is still a continental power in the short to mid-term with ambitions to expand influence in East Asia.

Analysis of China's maritime military outlook and its approach is complicated by a lack of transparency. The closest approximation to a National Military Strategy for China comes in the form of the *National Military Strategy Guidelines for the New Period*.<sup>7</sup>

### **3. China's Massive Maritime Potential**

The factor that sets China apart is sheer manpower and human capital available to develop an ocean-going navy. Already China possesses the largest maritime force in East Asia in terms of manpower and number of combatants in East Asia with 215,000 personnel, 146 surface combatants, and 65 submarines.<sup>8</sup> However, it does not have the largest force by tonnage. Organized into three primary fleets (North Sea Fleet, East Sea Fleet, and South Sea Fleet), the bulk of the PLAN's combat power is concentrated in the southern two fleets.

Because of the perennial guessing game of estimating China's total defense expenditure, determining Beijing's expenditures for its fleets is nearly impossible. Observers have noted an increase in the overall PRC defense budget in recent years, partially triggered by the

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<sup>7</sup> "Annual Report on the Military Power of the People's Republic of China," DefenseLink  
[<http://www.defenselink.mil/news/Jun2002/china06222000.html>], 24 June 2002.

<sup>8</sup> Richard J. Ellings and Aaron L. Friedburg, ed., *Strategic Asia: Power and Purpose 2001-02*, (Seattle, Washington: National Bureau of Asian Research, 2001), 372-373.



government's ordering the PLA out of commercial ventures in an effort to increase professionalism in China's armed forces. Even with the growth of the Chinese economy, ironically, the People's Liberation Army (PLA) and its branches are not the primary benefactors of the Chinese economic boom. Under economic policy of "four modernizations," China's military capabilities are prioritized last and do not receive the priority in funding provided to further development of the economy, industrialization, the sciences and technology.

#### **4. Taiwan**

The first security challenge in the PRC maritime strategic vision is the issue of conflict with Taiwan. Beijing regards this as an internal Chinese matter. Whether reunification occurs by means of force or peacefully remains uncertain, but the Chinese naval buildup across the Taiwan Strait continues in response to the arming of Taiwan under the Taiwan Relations Act of 1979, giving the Republic of China (ROC) a *de facto* ally of the United States.<sup>9</sup> Shortly after taking office President George W. Bush cleared the air of strategic ambiguity over Taiwan, somewhat when he pledged the United States would "do whatever it takes" to defend the Republic of China.<sup>10</sup> In response to continued American support for Taiwan, the largest buildup in the PLAN occurred in the East Sea Fleet stationed opposite the Republic of China in Fujian Province. Focused on acquiring platforms suitable to match the Taiwanese and United States Navy's technical advantage,

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<sup>9</sup> Andrew J. Nathan and Robert Ross, *The Great Wall and Empty Fortress: China's Search for Security*, (New York: W.W. Norton & Company, 1997), 67-68.

<sup>10</sup> "President George W. Bush Interview with Katie Couric," *NBC's Today Show*, April 2000.

the PLAN embarked on a course of purchasing platforms such as the Russian Sukhoi Bureau's SU-27 and SU-30 fighters as well as Russian *Sovremenny* destroyers.<sup>11</sup> This buildup will be discussed at greater length in Chapter V.

Beyond the potential for conflict, Chinese reunification poses a huge question in the East Asian maritime realm. If the Republic of China's (ROCN) hybrid technologies and its approach to building the quality systems-level components that the PLAN lacks fell to the PRC, Beijing would possess far greater power in East Asian nautical sphere. Inclusion of ROCN assets—especially its submarines and surface warships, would instantly double China's blue water capability. For example, the ROCN operates seven American-designed *Oliver Hazard Perry* frigates (with an eighth planned for commissioning in 2003), a first-line combatant in the United States Navy.<sup>12</sup> These frigates possess the SM-1 Standard missile system that would give the PLAN an area air defense (AAD) capability, albeit limited, it has lacked since its inception.<sup>13</sup> This AAD capability could be nearly doubled in range if the reunification occurred after the transfer, approved by the Bush administration, of four *Kidd*-class air defense destroyers.<sup>14</sup>

Potential ROCN integration not only poses difficult questions of more advanced technology, but also of reformation in training, supply, and employment of the

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<sup>11</sup> Cole, 27.

<sup>12</sup> David Miller, *Warships: From 1860 to the Present*, (London: Salamander Books, Ltd.), 2001, 480.

<sup>13</sup> Ibid, 478.

<sup>14</sup> A. D. Baker, "World Navies in Review," *United States Naval Institute Proceedings*, March 2003, 48.

PLAN. The shipbuilding infrastructure on Taiwan would markedly increase China's maritime output. On a geopolitical scale, reconciliation by the PRC and ROC would mean Chinese dominion over many of the critical SLOCs in the East China Sea supplying the Koreans and Japan and may have unintended consequences.

## **B. JAPAN**

### **1. Japanese Maritime Tradition**

By virtue of its geographic position and insular nature, Japan has a well-established naval tradition. This includes attacks on its neighbors China and Korea, especially the thwarted invasion of Korea by Hideyoshi Toyotomi in the sixteenth century. Early in the Meiji Reformation Japan took the naval role model of the similarly insular and highly successful British Empire. The most notable demonstration of Japan's naval prowess came following the stunning victory by Admiral Togo in the Strait of Tsushima in 1905 over the Russian Fleet. The ascent of Japanese maritime power projection halted in the mid-1940's with the annihilation of the navy and maritime fleet in World War II. Though the war had thoroughly reduced the size of the Japanese military and maritime fleet, Japan's war machine was never fully dismantled. Under American pressure, units from the Japanese Maritime Safety Agency (JMSA, the Japanese Coast Guard), participated in amphibious operations during the outset of the Korean War.<sup>15</sup> In the geo-strategic calculus of the emerging Cold War, the United States recognized the need for a rebuilt Japanese navy to shoulder the burden of

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<sup>15</sup> James Auer, *The Postwar Rearmament of Japanese Maritime Forces, 1945-1971*, (New York: Praeger Press), 1973, 64-67.

maritime defense against the Soviet Union in Asia. Even though Article 9 of the Japanese Constitution states that, "land, sea, and air forces as well as other war potential will never be maintained," Prime Minister Yoshida understood the need to rearm Japan. The 1951 Japan-US Mutual Defense Treaty started Japan on the path to rearmament. In 1954, the Self-Defense Forces Law converted Japanese constabulary forces into an actual military body, under the heading of Self Defense Forces, while the Ban on Overseas Defense Force Dispatch Law quelled internal and external fears of an overly expeditionary Japanese military.

## **2. Current Maritime Orientation**

The missions of the MSDF during the Cold War were fourfold: defend SLOCs within 1000 nautical miles, territorial defense, merchant escort, and finally offensive interdiction.<sup>16</sup> The JMSDF's evolution in the Cold War drove Japan towards a complementary role to the massive force of the United States Navy. In particular, the JMSDF focused on the ability to conduct minesweeping and anti-submarine warfare (ASW) sufficient to thwart the Soviet Far East Fleet's submarine forces setting sail from Petropavlovsk-Kamchatski and Russian surface vessels based out of Vladivostok.<sup>17</sup>

The current maritime security philosophy of Japan is defensive and focused on the "ambiguity and uncertainty" that still exists in Asia, namely "the issue between China

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<sup>16</sup> Norman D. Levin and others, *The Wary Warriors: Future Directions in Japanese Security Policy*, (Santa Monica, California: RAND, 1993), 50.

<sup>17</sup> Ibid.

and Taiwan" and "confrontation on the Korean Peninsula."<sup>18</sup> Judging by the 2002 *Japanese Defense White Paper*, Japan's the maritime outlook is nearly as vague in its defensive orientation, focusing on the "Operations for the Defense of Surrounding Sea Areas and Securing the Safety of Maritime Traffic." This section of the White Paper specifies joint operations with air, sea, and United States military assets in time of emergency. Above all, the White Paper acknowledges the importance of the flow of "resources, energy, foods, and many other materials" into Japan as "vital to national existence."<sup>19</sup> As the United States and its allies demonstrated in World War II in the Pacific, these supplies lines are Japan's greatest strategic liability.

### **3. Japanese Maritime Power**

Because of its pledge in 1976, made to appease criticism over not devoting enough to defense, Japan spends one percent of its sizable GNP, amounting to 40.9 billion dollars in 2000. This funding helps the continuation of East Asia's most highly professionalized maritime security force, the MSDF, which consists of only 42,600 personnel, 69 surface combatants, and 16 submarines.<sup>20</sup> Even though the MSDF has one-fifth the manpower and less than half of the assets of the PRC, Japan has the decided technical edge among all of the East Asian navies. Additionally, the MSDF, though lacking the numbers of vessels, has a decided edge over the PLAN, especially when considering tonnage. Looking to the future, the MSDF has an interest in closely

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<sup>18</sup> FBIS-CHI-2002-0802, "Japan: Excerpt of 2002 Defense White Paper."

<sup>19</sup> Ibid.

<sup>20</sup> Ellings and Friedberg, 370, 372-373.

monitoring the expansion of Chinese military might to the south for its potential to strangle the oil lifeblood of the Japanese economy, also a concern for the Republic of Korea. The current organization of the MSDF is four maritime defense districts-Ominato, Maizuru, Yokosuka, and Sasebo-surrounding Japan with their headquarters in Yokosuka. The MSDF is composed of four escort flotillas (one is always in the rapid response posture), two submarine flotillas, a fleet air force, two minesweeping flotillas, and a training command.<sup>21</sup>

#### **4. Shift in Strategy**

The National Defense Program Outline approved in December 1995 shifted the MSDF away from this mission and toward becoming a more balanced force capable of multiple missions, including operations other than war or deterrence.<sup>22</sup> These include surveillance, patrol, and disaster relief. The MSDF in the post-Cold War amidst the new uncertainty of the global order has shifted its missions accordingly. In the end, its missions other than the typical busywork demanded of a maritime force amounts to "securing maritime traffic and securing Japanese territory."<sup>23</sup> The former mission, combined with shifting international situation gives rise to reinterpretation of former constraints on Japan in a broader Asian security context with joint operations between the JMSA and the Malaysian Coast Guard in patrolling the Strait of Malacca.

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<sup>21</sup> "Japan Maritime Self Defense Force (Nihon Kaijo Jietai)," Global Security.org, available online at [http://www.globalsecurity.org/military/world/japan/MSDF.htm], 20 February 2003.

<sup>22</sup> "Japan Maritime Self Defence Force (Nihon Kaijyo Jietai)".

<sup>23</sup> Ibid.

## 5. Expanding Missions Abroad

Long before the coalition in Desert Storm and the current global war on terrorism, in 1981 Prime Minister Suzuki Zenko pledged Japan to defend all maritime interests within a 1000 nautical mile radius of the home islands within the bounds of the nautical realm.<sup>24</sup> This pledge of maritime protection, however, is not omnidirectional and applies to only the high seas (including international straits) and territorial waters of Japan. It is ironic that Japan, for all of its perceived pacifist trappings, possesses the most capable blue-water and highly professionalized fleet to defend the interests of all East Asian nations in the sea lanes.

The events of September 11, 2001 compelled Japan's Diet to authorize extending JMSDF power and diplomacy into the Indian Ocean in support of American strike and maritime interdiction operations. Interestingly, even the preliminary deployment of logistics support vessels incited the ire of the People's Republic of China, long an opponent of expanding Japanese military involvement. From the beginning of the War on Terrorism after the attacks on the Pentagon and New York City, Japan provided initial support in the form of oilers and logistic support vessels.<sup>25</sup> However, this recently expanded to deploying a Kongo class Aegis destroyer the *Kirishima*, a huge step for Japan. Though not armed with offensive weapons capable of reaching far inland, the People's Republic of China viewed the

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<sup>24</sup> Ibid.

<sup>25</sup> Toru Ishikawa, "There Are No Boundaries at Sea," *Proceedings*, June 2002.

deployment of these ships was seen as a militarist action.<sup>26</sup> As Ken Booth once proclaimed, "...a carrier is a carrier is a carrier..."<sup>27</sup> When other sensitized Asian states deal with Japanese military power at sea a destroyer is a destroyer is a destroyer, ironic in light of the fact that the *Kirishima* proceeded to station in the Indian Ocean/Arabian Gulf to relieve a lower technology Japanese destroyer. Chinese dismay over this deployment may be nothing more than a subtle protest to the ship's potential Theater Missile Defense (TMD) capability with the American-designed Aegis combat system aboard.

## **C. THE REPUBLIC OF KOREA**

### **1. Maritime Tradition**

From the Choson period to modern times, Korean naval and maritime tradition served an important role in the development of Korea and Northeast Asia. Korean maritime tradition helped sow the seeds of Korean and Chinese culture throughout Northeast Asia. Additionally, though typically overshadowed by Korea's "continental orientation"<sup>28</sup> and tradition of its military leaders, Admiral Yi Sun-shin serves as an important and inspirational naval leader and national hero to Koreans. In the modern era, Korea's divided navies and maritime traditions have led separate lives due to different levels of prosperity and defense priorities. This has led to

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<sup>26</sup> FBIS-CHI-2002-1219. "Hits Out at Japan for Sending Warships to the Indian Ocean, Warns of Militarism."

<sup>27</sup> K. Booth, *Navies and Foreign Policy*. (London: Croom Helm), 1977, 71.

<sup>28</sup> Edward A. Olsen, "Prospects for an Increased Naval Role for the Republic of Korea in Northeast Asian Security," Monterey, California, Naval Postgraduate School, 1989, 9.



recurrent clashes over territorial waters, fishing rights, and other resources.

Due to Korea's position on the Asian continent and proximity to sea routes, the Korean maritime tradition may be traced back as far as the ancient Choson period,<sup>29</sup> when the Koreans began building naval forces against invasion and in protection of maritime activities. Additionally, the coastal Koreans made their living fishing and gathering seaweed.<sup>30</sup>

In the time of the Three Kingdoms, the Paekche people continued to build on the earlier maritime tradition of the Choson and established maritime control of the sea around the Korean Peninsula. In contrast to the 'Irish of Asia' moniker that is often misapplied to the Koreans, it was during the Paekche period that Korean seamen garnered the self-proclaimed term "the Asiatic Phoenician[s]"<sup>31</sup> for their maritime capabilities. Sailing from Shantung, Liaosi, and outlying Japanese islands, the Korean transported Chinese and Korean culture and eventually spread to Japan and shores beyond the works of Confucius, other Chinese classical works, and aspects of Korean and Chinese traditions.

Korean seamen spread Korean and Chinese culture and influence through merely sailing in search of trade and riches. At the end of the 4<sup>th</sup> century A.D., the Paekche

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<sup>29</sup> "The Korean Maritime History." *Republic of Korea Navy Homepage*. [http://www.navy.go.kr/public/fe04.html], 16 March 2002.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

maritime dominance of Northeast Asia spread from the Gulf of Bohai to Cheju Island<sup>32</sup>.

Following World War II, the Republic of Korea established the precursor to its modern navy with United States Coast Guard (USCG) assistance in August of 1946.<sup>33</sup> The ROKN proceeded through four periods of evolution: "a maintenance period" (1953-1965), "a build-up of war potential period (1965-1974), "a constructing of foundation for self-reliance national defense" period (1975-1993), and the "advanced navy period" (1994 to present).<sup>34</sup>

## **2. Current Maritime Orientation**

The missions of the Republic of Korea Navy are war deterrence, protecting national sovereignty, protecting maritime rights, supporting government foreign policy, and enhancing national prestige.<sup>35</sup> Then President Kim Dae Jung enunciated a new naval vision for Korea in a speech at the Korean Naval Academy in Chinhae on March 20, 2001. Kim presented the graduating midshipmen with the challenge to be a contributing factor in the "strategic mobile fleet." This concept would logically bridge the gap between a coastal navy and a blue water fleet.<sup>36</sup> Recent developments in South Korea's Ministry of National Defense reflect the reconciliation focus of the departed Kim administration's

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<sup>32</sup> Ibid.

<sup>33</sup> David F. Winkler, "Historical Perspective: The Birth of the South Korean Navy," August 2000, [<http://www.navyleague.org/seapower/august2000/historic.htm>], 16 March 2002.

<sup>34</sup> "The Korean Maritime History."

<sup>35</sup> *Defense White Paper 2000*, The Ministry of National Defense, Republic of Korea (Seoul: Korean Military Academy, 2000), 76.

<sup>36</sup> "Republic of Korea Navy," Global Security.org, [<http://www.globalsecurity.org/military/world/rok/navy.htm>], 20 February 2003.

"Sunshine Policy." Interestingly, the Republic of Korea put its most recent biannual National Defense White Paper on hold indefinitely to remove all references to the Democratic People's Republic of Korea (DPRK) as the "main enemy," an expression earned in light of the fifty-plus years of enmity and the 1995 remark about Seoul in "a sea of flames."<sup>37</sup> Whether or not the newly elected administration of Roh Myun Hyun continues Kim's trajectory towards reunification remains to be seen and will directly affect the focus of the South Korean military from its immediate mission of self defense to its future to the south in Asia. Beyond the immediate missions against the DPRK, the ROKN is looking outward in its training, infrastructure, and acquisitions.

Along with the booming Japanese and Chinese maritime role, the South Koreans created a robust shipbuilding capability and merchant marine to augment their economic rise. Their virtually insular position on the Korean Peninsula also made this a necessity. ROK shipbuilding has earned a position of high-esteem and great importance to the economic well-being of South Korea. The shipbuilding and merchant marine of South Korea ultimately play a huge role in Korea's further development and energy security by constructing the tankers to transport virtually all of South Korea's crude oil supply and the naval combatants to protect it.

Whether the two Koreas unite peacefully in the near future or remain separate entities, the often forgotten maritime and naval tradition of the Koreans remains an

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<sup>37</sup> FBIS-CHI-2002-0527, "Defense Ministry Urged to Change 'Main Enemy' Expression."

important facet in the emerging post Cold War international climate in the globalizing world. A unified Korea would pose many tough questions for its neighbors and for itself in terms of maritime security and potential, with a combined population of 70 million and a powerful economy after recovery from reunification.

### **3. Renewed Hostilities with the North**

In the event of a conflict between North and South Korea, the outcome on the Yellow and East Seas could be potentially far more lopsided than a conflict between Taiwan and China. In event of renewed conflict on the Korean Peninsula, some assessments state that the Korean People's Navy (KPN) of the DPRK could be marginally effective in the first 30-90 days of a conflict<sup>38</sup> and would shift to a fleet-in-being status thereafter. Expansion of force structure afloat and the ability to project power beyond insertions along the South Korean coastline and minor amphibious operations remains a low priority in the DPRK, and may be indicative of larger military goals of the North--paranoid self-preservation.

In contrast to recent engagements by the North and South over fishing and passage rights in the Yellow Sea, in the event of a war between the Koreas the war at sea would be a decisive South Korean victory. Especially in light of the loosening of ROKN rules of engagement (ROE) after a disastrous naval, skirmish over the Northern Limit Line (NLL)--the seaward extension of the Demilitarized Zone.

The KPN, though vastly outnumbering the Republic of Korean Navy, has serious deficiencies in operating at night

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<sup>38</sup> Joseph Bermudez, *The Armed Forces of North Korea*, (London: I. B. Tauris Publishers, 2001), 92.

and in foul weather.<sup>39</sup> In addition to these material deficiencies, it will continue to receive extremely limited funding to ameliorate its shortcomings due to North Korea's energy crisis. Additionally, South Korean and allied naval forces in a prolonged conflict would easily exploit electronic warfare (EW), signals intelligence (SIGINT), and air defense shortcomings.<sup>40</sup> The greater endurance of the ROKN in their predominantly blue ocean-oriented warships would fare better than the fast attack North Korean vessels.

Additionally, as previously mentioned, almost all of the North Korean Navy's anti-ship missile technology remains based on 1960's Soviet technology. American and Western defense technology used by the ROKN, again not constrained by ROE, has grown strong to counter the threat. Although overwhelming numbers of KPN missile boats theoretically could mount swarm attacks with massed salvos, the ROKN ships' defensive capabilities are focused on this type of threat and possible employment. Moreover, the ROKN has a decided advantage if hostilities did break out in that it is better adjusted to joint operations with a robust command, control, computers, communications, intelligence, surveillance, and reconnaissance (C4ISR) as a result of operating with the United States Navy and other technologically advanced armed forces.

#### **4. ROKN Expansion**

As have several other nations with a need to protect maritime security and commerce, the ROK has embarked on an interestingly ambitious effort to expand the capabilities

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<sup>39</sup> Ibid.

<sup>40</sup> Ibid.

of the ROK armed forces. Defense expenditures are set at 3.1 percent, or about \$15 billion,<sup>41</sup> for the total defense budget. A large portion this funding goes to expanding and improving the sea-going quality of the ROKN's 35,000 personnel, 54 surface combatants, and 19 diesel submarines.<sup>42</sup> The ROKN fleet organization is distributed amongst three sector commands--the East, West, and South Seas.

South Korea will remain a small, yet ambitious maritime power and continue to develop a greater blue water capability to preserve its SLOCs, particularly in interests of its national trade via its merchant marine and shipping lanes. Primarily, the expansion of ROK naval power logically follows protecting the country's burgeoning need for energy resources transported by sea. As some commentators speculated prior to the end of the Cold War and dissolution of the Soviet Union, the ROK Navy grew in proportion to South Korea's industrial growth and "dependence on shipping to and from Korea...raw materials and finished goods."<sup>43</sup> Finally, the Republic of Korea will build its navy to defend disputed maritime territory with China, Japan, and North Korea. The possibility of coming clashes in Northeast Asia will most certainly stem from the scramble for resources by the principal participants.

The best of all worlds for Korea is obviously peaceful reunification and combining the armed forces of the North and the South. In the naval realm, the two navies are complementary. The fast patrol vessels of the North would

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<sup>41</sup> Ellings and Friedburg, 370.

<sup>42</sup> Ibid., 372-373.

<sup>43</sup> Olsen, 33, 43, and 55.

be well suited for a coastal patrol arm or a coast guard. The South's blue water ships would serve in an enlarging oceanic fleet possibly centered on an indigenously produced aircraft carrier to form a carrier battle group. The mine laying capability of the North could be retained for defensive purposes. The older North Korean submarines would be towed to the breakers where they belong and the amphibious fleet of both navies could be scaled back to allow for operations on and around the thousands of Korean islets. An interesting prospect for the reduction or disposal of the KPN could lie in a deal not unlike the German-Indonesian naval transfer, which sent the former East German fleet to Southeast Asia for a little over \$30 million. A nation needing a low-tech force of patrol-boat sized vessels could profit from the reunification of the Koreas.

**D. OVERALL NATURE OF EAST ASIAN NAVIES AND THEIR MARITIME VISION**

The navies of China, Japan, and South Korea all share the dream of blue water operations. However, East Asian maritime security is constrained by international political outlooks (Japan), fear of an arms race (in China), and overall lack of funds (South Korea), especially after the Asian financial crisis of 1997. None of the three leading East Navies possesses combatants larger than a destroyer, therefore limiting their range of operations to the immediate area without logistic support. The East Asia navies are fleets of working class ships. None of the navies has high cost, upper echelon naval combatants such as cruisers or carriers for protracted employment. The East Asian navies therefore are in no danger of approaching

the bloated Churchillian "luxury fleet" status of battleship fleets like the Kriegsmarine exiting the Kiel Canal during World War I.

The three East Asian naval powers envision their respective fleets as power projection instruments to protect commerce and energy flows. All are in different stages of development. Japan clearly possesses the ability to patrol its extended SLOCs. China and South Korea focus on immediate contingencies in Taiwan and the Korean Peninsula respectively. However, the PRC and ROK are actively pursuing long-range capabilities at sea to protect national interests, including the flow of energy products and sea-based resources. Both are in position to push their maritime roles outward to the extended SLOCs. China in particular is working to extend its maritime reach using its limited naval resources into the South China Sea and Southeast Asia.

The East Asian navies therefore are at a turning point in expanding their capabilities to extend their reach over the extended SLOCs. Moreover, while China, as mentioned earlier, is researching means to build a carrier, but it still lacks the funding, infrastructure, and quality control required for such an endeavor. The East Asian navies are clearly not competitive as much as they are complementary in preserving the status quo in the immediate region. The United States Navy will continue to be relied upon for China's, Japan's, and South Korea's maritime interests outside of East and Southeast Asia. The East Asian navies and their development are all rife with potential, but they still lack the capability to enforce



long-range SLOC security without the United States Navy. In the end the balance of the East Asian naval powers in protecting their immediate areas of interest in the region, compliment the United States Navy's vision of security while preventing the rise of a regional power. The economic focus of these countries - the PRC, Japan, and South Korea - ensures the ability of America to remain the predominant power in East Asian maritime security.

**E. RAMIFICATIONS EAST ASIAN MARITIME VISIONS FOR THE UNITED STATES**

Continued American interest in the East Asian naval powers maritime potential comes with the recurrent theme of preserving the free flow of commerce brought about by safeguarding freedom of navigation. The broader context of American interests in the region, including the terrestrial side, focus on the engagement of East Asia in the maritime realm and on ensuring that no single power establishes dominance over the region. With these two factors in mind, the United States must promote a robust maritime presence in Asia backed by air and land forces. The policy of "places not bases," combined with additional presence in the Western Pacific, as recommended in the Quadrennial Defense Review, will bolster these strategic aims, but it will only go so far. The United States must acknowledge the principal changes in the nautical environment of the region and conditions to ensure the stability of maritime East Asia. These changes have made the waterways of East Asia more important to the world than ever before.

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### III. POST-COLD WAR MARITIME ORDER OF EAST ASIA

#### A. POWER VACUUM?

The fall of the Soviet Union and the end of the Cold War brought about a potential power vacuum in the waters of East Asia. Fears of the end of the bipolar order at sea have driven some nations to purchase or upgrade their naval and coast guard forces against the uncertainties of an emerging multipolar order. Instead, the American presence remained, though reduced by about forty percent since 1990,<sup>44</sup> and continues to preserve the flow of commerce by enforcing freedom of navigation in the waters of East Asia. However, the changes to the SLOCs result from a longer-term multilateral change in the maritime regime of East Asia. The United States Navy has remained on station after the Cold War's end, ensuring the safety of the SLOCs and the increasingly important maritime movement of global commerce. This, combined with the new international maritime regime, presents the greatest changes to East Asia's SLOCs.

This chapter will focus on the changes to the SLOCs following the Cold War, not only because of the disappearance of the Soviet fleet, but also changes in international law and regional security demands. The United Nations Convention on the Law of the Sea (UNCLOS) and East Asia's rising importation of energy resources have increased the importance of the sea to China, Japan, and South Korea. In the end, we shall see that the disappearance of the Soviet Fleet and the end to the

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<sup>44</sup> Philip Andrews-Speed and others, *The Strategic Implications of China's Energy Needs*, (New York: Oxford University Press), 2002, 79.

bipolar order at sea in did not have the greatest impact on the transformation of the nautical environs of East Asia.

## **B. UNITED NATIONS CONVENTION LAW OF THE SEA**

### **1. History**

Law has long had a place at sea. From the free usage of the sea ideas of Hugo Grotius (DeGroot) in 1604<sup>45</sup> through its current iterations in the United Nations, law at sea has regulated division of the sea, maritime warfare, dispute resolution, commerce, and the resources from the sea. The 1982 UNCLOS, sometimes also called UNCLOS III or the Third UNCLOS, codified a new international system delineating the bounds of nations' maritime borders and the usage of ocean resources within these limits. The UNCLOS originated in the 1958 Geneva Convention on the Law of the Sea and subsequent revisions in the 1970's making up UNCLOS I and II. Signed in 1982, the UNCLOS ratified and entered into force in November 1994 and provided a global framework for dividing the world's oceans.

### **2. Impact**

The UNCLOS in 1982 multilaterally delineated nations' seaward boundaries on the international stage for the first time in history. The continent that UNCLOS 1982 has had the greatest impact on is Asia, with its overwhelming maritime orientation and extensive number of archipelagic nations. The convention set the maximum limit for nations' maritime claims by establishing the guidelines for the terrestrial base line for the claim, the limit to an exclusive economic zone (EEZ), and the continental shelf.<sup>46</sup>

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<sup>45</sup> Harold J. Kearsley, *Maritime Power in the Twenty-First Century*, (Aldershot, UK: Dartmouth Publishing Limited), 1992, 15.

<sup>46</sup> Sam Bateman and Stephen Bates, eds., *Calming the Waters: Initiative for Asia Pacific Maritime Cooperation*, (Canberra: Australian National University), 1996, 78.

For example, a nation's EEZ and continental shelf may extend no further than 200 miles from its baseline.

In addition to nations' seaward boundaries established by this convention, the right of passage by vessels through different regimes--including the territorial waters and high seas--achieved international codification and acceptance with few exceptions. By definition, vessels including warships, may enjoy the right of innocent passage through any nation's territorial waters, which extend twelve miles from the baseline. The high seas begin beyond 12 miles and include, in some instances, international straits that fall within a nation's bounds, qualifying as territorial seas. These high seas qualify for transit passage or free passage in any mode of a ship's operation including submerged by a submarine.

Setting these boundaries and UNCLOS 1982's entering into force in November 1994 meant that nations enjoyed jurisdiction over their territorial waters and contiguous zone (up to 24 miles). In addition to the patrolling of these waters, nation's maritime interest extends out to 200 miles in an exclusive economic zone, the main area in which the UNCLOS sought to define a state's rights to extract the sea's resources. This included provisions for deep seabed mining, which caused difficulties in the U.S. agreement and ratification of the convention. Lastly, UNCLOS 1982 provides a mechanism for dispute resolution.<sup>47</sup> However, all three East Asian maritime powers--China, Japan, and South Korea--have signed the UNCLOS for different reasons.

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<sup>47</sup> Ibid., 85.

The UNCLOS gives China a hold on its offshore resources that has gained increasing importance in the industrialization and modernization of the country. With this comes a Malthusian problem, both in terms of feeding the engines of commerce and the people who operate them. China sees the utility of the UNCLOS for the clear-cut boundaries it places on resources and resolution of claims through historical usage. In addition, the UNCLOS has provided China with a voice in international maritime affairs, despite the lack of a blue water navy. One can only hope that the UNCLOS dispute resolution and the ASEAN Code of Conduct (explained in detail in chapter five) contribute to Chinese thinking on resolving disputes in the South China Sea, so that there are no repeats of its approach experienced in 1974, 1988, and 1995.

Both Japan and Korea see the UNCLOS according to their insular positions and, not unlike China, need to expand their indigenous resource base. They both rely heavily on the UNCLOS to the end of freedom of navigation on the high seas. Japan has used the dispute resolution mechanisms in resolving fisheries problem, but not those of territorial claims. Particularly important territorial claims in the East and Yellow Seas obfuscate the potential for resolution of ownership. Instead, joint development ventures took root early in the evolution of the current UNCLOS. Japan and South Korea began joint mineral exploration in December 1970 with Taiwan to mine an area in the East China Sea off the southern tip of the Korean Peninsula and Japan.<sup>48</sup> This

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<sup>48</sup> Choon-ho Park, *East Asia and the Law of the Sea*, (Seoul: Seoul National University Press), 1983, 130.

venture continued in its current form between Japan and South Korea.

### **3. Unintended Consequences**

Though the United Nations had the best of intentions and international support in the formulation of UNCLOS 1982, the convention wrought unintended consequences on the global maritime order. Many observers of naval matters claim that the 1982 UNCLOS may have intensified the sources of naval conflict with its delimitation of sea boundaries and created a "double-edged sword" at sea.<sup>49</sup> Smaller nations, long quiet about the division of resources at sea, now have a tool to deal with larger neighbors. The South China Sea (explored in further depth in Chapter Four) is an excellent example of the scramble for resources brought about by a new twist in international law. The UNCLOS may have added clear boundaries at sea, but it created new openings for debate among nations as to the nature of ownership of the sea's resources.

One particular problem of the UNCLOS is that it extends rights of ownership to habitable islands only. Consequently, the nations of East Asia and Southeast Asia have made islets that do not technically meet the UNCLOS definition of ownership into miniature outposts by placing wharfs, shacks, and other manmade structures on them to solidify their claims of ownership. Moreover, these claims, naively optimistic at best, linked to claims on continental shelves surrounding islands, further complicating matters of ownership over adjoining islands.

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<sup>49</sup> Kearsley, 14.

The EEZ's and continental shelf claims brought about by the UNCLOS, as stated earlier brought about the problem of delimiting the areas of ownership in East Asia. Because of the 200-mile limit on ownership of these two aforementioned regions and the fact that none of the East Asian naval powers are separated by 400 miles, equidistant lines may be drawn between the nations. However, territorial matters further confuse matters by inhibiting the delimiting of East Asian waters. Disputes in the Tokdo/Takeshima Islands and Senkaku/Diaoyu Dai Islands may never be fully resolved and will prevent clear boundaries from being set in East Asia.

### **C. EAST ASIA'S RISING MARITIME ENERGY DEPENDENCE**

The forces of industrialization in East Asia have driven an insatiable demand for energy, namely oil from the Middle East. These forces have awakened a "sleeping giant" - a phrase falsely attributed to Admiral Isoroku Yamamoto<sup>50</sup> - but now eerily applicable to East Asia's energy consumption. The industrial and technological rise of Japan, South Korea, and China placed an even heavier burden on the international oil supplying. Overall, the average yearly increase in energy consumption for the Asia-Pacific region is growing at a rate of 3-5 percent for the between 1997 and 2002.<sup>51</sup> By comparison, North American and European energy consumption has grown by one percent in the same period.<sup>52</sup> The rate of growth in consumption and competition over oil of East Asian states will inevitably encourage

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<sup>50</sup> Lawrence H. Suid, "'A Terrible Resolve,'" *United States Naval Institute Proceedings*, December 2001, 84.

<sup>51</sup> Andrews-Speed and Others, 22.

<sup>52</sup> Ibid.



military and political contention over this strategic commodity.

## **1. PRC**

The PRC remains the second largest energy consumer in the world behind the United States.<sup>53</sup> The dominant fuel usage in China is coal, which leads the world in consumption and production, also leading China to possess seven of the top ten most polluted cities in the world and a looming environmental crisis.<sup>54</sup> China became a net oil importer in 1993. China's petroleum industry is focused on domestic demand and supplying Japan with about 50,000 bbl/d from the Daqing oilfields.<sup>55</sup> Expected to nearly double, China's oil consumption may rise from an estimated 4.9 million barrels per day (bbl/d) in 2001 to 10.5 million bbl/d by 2020. Some estimates place the increase in China's oil consumption at as high as 200%.<sup>56</sup> Assuming this rate of use and no foreign exports, China's current proven reserves of 24 billion barrels<sup>57</sup> would last the PRC a little over six years.

Areas of offshore explorations including the Bohai Sea, Pearl River Mouth, and the South China Sea are believed to hold only another 8.4 billion barrels<sup>58</sup> granting China a little less than 8.5 years of energy independence

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<sup>53</sup> "Country Analysis Briefs: China," *Energy Information Administration*, June 2002, [http://www.eia.doe.gov/emeu/cabs/china.html], 27 February 2003.

<sup>54</sup> Ibid.

<sup>55</sup> Ibid.

<sup>56</sup> Andrews-Speed and Others, 22.

<sup>57</sup> Ibid.

<sup>58</sup> Ibid and "South China Sea Region," *Energy Information Administration*, June 2002, [http://www.eia.doe.gov/emeu/cabs/schina2.html], 27 February 2003.

at the projected 2020 rate of usage. Chinese representatives speak of their intentions to create a national petroleum reserve but no action on this matter has taken place and it has yet to be seen if the reserve would resemble the US Strategic Petroleum Reserve or the minimum stock level type of reserves Japan and South Korea possess.<sup>59</sup>

With these factors in mind, China will grow increasingly reliant on energy flows by sea from the Middle East, Southeast Asia and other regions.<sup>60</sup> Overland pipeline projects are in progress, but may not meet the immediate need in the same manner as oil from the Middle East. Interestingly, China has made inroads into the Middle East and Africa oil supplies and placed controversial emphasis on obtaining concession in Iraq and Sudan.<sup>61</sup> In particular, China National Petroleum Company (CNPC) and Norinco are in the process of developing the Al-Ahdab field in Central Iraq.<sup>62</sup>

As of 1993, China already had a large dependence on overseas oil transported via the sea (see Appendix A) and this is only expected to increase with the PRC's economic growth. However, China is not nearly as reliant on overseas oil as say pre-World War Two Japan, but does have short to medium concerns about its oil supply. In tandem with the Chinese perceptions of an Indian threat, the rising dependence on oil by the PRC gives the PLAN

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<sup>59</sup> Ibid.

<sup>60</sup> Andrews-Speed, 23-25.

<sup>61</sup> Ibid., 66.

<sup>62</sup> Ibid., 67.

justification for increasing capabilities focused southward past the South China Sea.

## **2. Japan**

Japan is the world's second largest energy importer and fourth largest energy consumer.<sup>63</sup> Despite the stagnation of the Japanese economy, oil importation remains high at 5.44 million bbl/d after declining from 5.9 million bbl/d in 1996. Possessing scant proven reserves, only 59 million barrels,<sup>64</sup> when compared to China, Japan is dependent on the flow of oil from the Middle East. Eighty percent of Japan's oil flows from the Middle Eastern countries United Arab Emirates, Saudi Arabia, Kuwait, Qatar, and Iran.<sup>65</sup> China supplies light oil to Japan via its Daqing fields and the remainder flows from Southeast and Central Asia. Oil accounts for fifty two percent of Japan's energy usage. Japan's rate of oil consumption is not expected to increase markedly in the same period as China's probable increasing reliance.

The loss of concessions in Saudi Arabia and Kuwait by Japan's Arabian Oil Company (AOC) focused Japan on supplies in Iran. Japan Petroleum Exploration Corporation (Japex) is currently negotiating for the rights to the Azadegan field possessing some 6 billion barrels of proven reserves. Additionally, Japan has sought to ensure its supply through further diversification in Central Asia, particularly the Caspian Sea region. The greatest question for these emerging sources of oil for Japan remains their means and

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<sup>63</sup> "Country Analysis Briefs: Japan," *Energy Information Administration*, June 2002, [http://www.eia.doe.gov/emeu/cabs/japan.html], 27 February 2003.

<sup>64</sup> Ibid.

<sup>65</sup> Ibid.

route of transportation. The Caspian Sea region presents many complexities of transport, whereas the Iranian oil may simply be routed south to ports on the Arabian Sea, forgoing the political climate of the Persian Gulf.

Protecting Japan's oil supply remains a critical link in Japan's Comprehensive Security and a crucial interest of the United States. The role of the JMSDF in protecting the flow of oil is critical but subject to domestic and international pressures of rising Japanese military adventurism. However, Japan is actively participating in policing the Strait of Malacca under the guise of anti-piracy patrols via the JMSA. Interestingly, Indonesia, Malaysia, and Singapore all welcomed the action with the understanding that Chinese naval expansion is the main concern.<sup>66</sup> This served as an indirect linkage to Japan's rising cognizance of China's naval expansion southward threatening Japanese energy security.

### 3. ROK

Despite its size and position, the Republic of Korea is the fourth largest oil importer in the world.<sup>67</sup> Moreover, South Korea possesses no domestic oil reserves and thus relies entirely on overseas sources. Petroleum consumption consists of fifty-six percent of the ROK's energy consumption at a rate of 2.1 million bbl/d.<sup>68</sup> This is down from the high in 1997 of 2.3 million bbl/d.

A long-term energy strategy of South Korea includes major concessions in 13 countries including Yemen,

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<sup>66</sup> Andrews-Speed, 78-79.

<sup>67</sup> "Country Analysis Briefs: South Korea," *Energy Information Administration*, June 2002, [<http://www.eia.doe.gov/emeu/cabs/skorea.html>], 27 February 2003.

<sup>68</sup> Ibid.

Argentina, Peru, Venezuela, Libya, and Vietnam. Of these, they have four operational oil fields in Yemen, Argentina, Peru, and the North Sea. With this overwhelming overseas dependence, South Korea, like Japan and the United States, developed a short-term solution to its energy reliance. The ROK developed a strategic petroleum reserve (SPR) intended as a shock absorber for a 90-day period. The ROK government expanded the SPR in the 2001 from 60 days in part to meet entry into the IEA.<sup>69</sup>

The multiple overseas sources drive the wartime mission of the ROKN to defend not only the SLOCs to the south in the vicinity of China, but also to the east past Japan. South Korea will remain dependent on overseas oil supplies and consequently in a tenuous security position. This realization of the importance of energy security drives the expansion in size and capability of the ROKN.

All three East Asian naval powers are seeking alternative energy sources to oil and some, including China, have even enacted measures to curtail its domestic usage.<sup>70</sup>

#### **D. CHANGES IN THE SLOCs OF EAST ASIA**

The change in maritime environment in East Asia post-Cold War added insecurity rather than stability. The UNCLOS, though well intentioned has had multiple impacts, including rearranging the borders of nations at sea and creating new conflict over resources in and below the ocean. Conflicts over the islands of East Asia to include the Senkaku/Diaoyu islands and Tokdo/Takeshima islands were

<sup>69</sup> Ibid.

<sup>70</sup> For background on these efforts see Andrews-Speed, Philip and others, *The Strategic Implications of China's Energy Needs*, (New York: Oxford University Press), 2002.

exacerbated by international law, as the next chapter will show. Conflicting claims in the South China Sea, also discussed in Chapter IV, add instability to the maritime regime of East Asia and energy flows from the Middle East. These disputes go hand in hand with emerging exploration for non-living resources in East Asia, particularly energy resources.

The transport of energy from the Middle East aided in the rise of the Asian dragons, but at the same time it exposes a weak link that could potentially cripple the vibrant economies of East Asia in a protracted conflict in similar fashion to the Asian Financial Crisis of 1997. Expansion of the PLAN, JMSDF, and ROKN southward will only serve to alternate in alarming each nation insofar as its energy security. China's maritime assertiveness would only serve to strengthen the JMSDF and ROKN and vice versa. The size of fleets, maritime visions, changes in international regimes, and energy demands drive the three navies to look outward, but economic, political and historic tensions drive them inward. Given these forces, continued United State Navy protection of the extended East Asian SLOCs seems the only viable answer at a high cost to the United States.

#### **IV. TERRITORIAL DISPUTES AFFECTING EAST ASIA**

##### **A. TERRITORIAL DISPUTES IN EAST ASIA**

The mechanism of the UNCLOS leads some to assume that maritime territorial disputes are in the past or fading rapidly. Nothing could be further from the truth, since the East Asian maritime powers dispute several areas between them. Among these are the Tokdo/Takeshima (South Korea/Japan) islets, Senkaku/Diaoyu (Japan/China) islands, and the previously discussed division of the East China Sea-the crossroads between all three East Asian maritime powers. In 1969, the "scramble" for petroleum exploitation exploded in East Asia with the East China and Yellow Seas at the forefront of division and development.<sup>71</sup> Unfortunately, to date no East Asian nation has exercised the apparatus in the convention to resolve ownership of disputed territories. Though the UNCLOS portends a means of resolving these disputed islands, the debate over ownership has yet to be truly resolved. Additionally, of even greater import to East Asia may be the two island groups and an entire sea to the south. The South China Sea presents a SLOC bottleneck and potential flashpoint stemming from the dual edged-nature of the UNCLOS. East Asian nations can ill afford disruption of the energy flow by sea stemming because of conflict in the South China Sea.

##### **1. Tokdo/Takeshima**

Tokdo or the Tok Islands are a chain of two small islands and nine rocks reefs in the East Sea/Sea of Japan. South Korean claims over the Tok Islands stem from King

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<sup>71</sup> Duk-ki Kim, *Naval Strategy in Northeast Asia Geo-strategic Goals, Policies, and Prospects*, (London: Frank Cass), 2000, 64.

Kojong's royal order made in the early twentieth century that Ulung-do and its adjacent islets, Tokdo being 49 miles adjacent to Ulung-do, belonging to the Chosun Dynasty. Historic claims reach back to 512 AD in the Three Kingdoms period remained unchallenged until, when 1910 the Japanese countered the edict by occupying the chain of islets and placing them in the Shimane Prefecture.<sup>72</sup> At stake on the Tok Islands is nearly 16,000 square nautical miles of sea and seabed with fisheries resources and petroleum potential.<sup>73</sup> Annually, more than a thousand fishing boats from the ROK and catch 20,000 tons of fish in this area.<sup>74</sup>

The dispute reemerged after the United States military government in South Korea returned Tokdo to the ROK in 1948 with the establishment of the ROK government.<sup>75</sup> The ROK government declared a fishery zone near Tokdo in 1952, which sparked protests from Tokyo. South Korea recently reinforced its claims to Tokdo by constructing berthing facilities for 500-ton vessels.<sup>76</sup>

Korea and Japan approach the issue of Tokdo/Takeshima with differing agendas. Korea believes Tokdo is an uncomplicated issue of historical ownership and usage, having controlled the islets for centuries. The ROK government downplays the dispute in light of its occupation of the islets and respect for its relations with Japan.<sup>77</sup>

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<sup>72</sup> Kim, 58.

<sup>73</sup> Mark J. Valencia, "Troubled Waters." Bulletin of Atomic Scientists. January/February 1997, [http://www.bullatomsci.org/issues/1997/jf97/jf97valencia.html], 18 March 2002.

<sup>74</sup> Kim, 59.

<sup>75</sup> Ibid., 58.

<sup>76</sup> Ibid.

<sup>77</sup> Ibid.



Conversely, Japan's interests in the resources surrounding the island are based largely on the government's declaration of a 200 mile EEZ, which virtually includes it. This claim by Japan also linked with its dispute over the Senkaku Islands, which certain nationalist right wing groups have made a greater issue than is necessary. Little can be expected in the way of resolution over Tokdo/Takeshima. Bilateral talks between Japan and Korea may be a step towards resolving this matter but should not be expected in the near-term especially in light of a recent ROK government overture to designate Tokdo a national park in 2004.<sup>78</sup>

## **2. Senkaku/Diaoyu**

The Senkaku or Diaoyu islands exist between the Ryukyu islands on the continental shelf of China. Ownership of these eight uninhabited islets and three rocks is disputed among the PRC, Japan, and Taiwan. Japanese claims rely upon discovery and occupation of the islands in the late nineteenth century.<sup>79</sup> Chinese claims rely upon discovery and administration dating back to the sixteenth century, during the Ming Dynasty.<sup>80</sup> In addition, China claims that the Diaoyu islands were part of Taiwan and surrendered in the Treaty of Shimonoseki in 1895 then returned under the auspices of the 1945 Potsdam Conference.<sup>81</sup> However, after Japan's defeat in World War II, the islands remained under U.S. control. With the impending reversion of Okinawa to Japan, Foreign Minister Kiichi Aichi claimed the islands as

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<sup>78</sup> FBIS-CHI-2002-0812 "Mainichi: Japan To Protest ROK's National Park Designation of Takeshima Island."

<sup>79</sup> Ibid, 60.

<sup>80</sup> Ibid, 60-61.

<sup>81</sup> Ibid, 62.

Japanese territory in September of 1970.<sup>82</sup> During this same time, "the question of petroleum resources on the continental shelf of the East China Sea came to the surface"<sup>83</sup> and China and Taiwan. The Chinese rebutted this claim in December 1970 when they condemned the Japan-South Korea-Taiwan Liaison Committee for mutual exploration of the East China Sea.<sup>84</sup> In June 1971, amidst protests from the PRC and ROC, the United States reverted control of the islands to Japan.<sup>85</sup>

In 1990, Japan and Taiwan disputed the islands ownership. To this day Taipei does not consider the Senkaku Islands to be part of Japan because it does not acknowledge Japan's ownership of Okinawa.<sup>86</sup> China declared them sovereign territory of the PRC along with the South China Sea in 1992.<sup>87</sup> In 1996, a Japanese rightist group rekindled the dispute by sailing to the islands as they had in 1978 to build a makeshift lighthouse.<sup>88</sup> The countries agreed to ignore their disagreement when they signed a fisheries agreement between in November 1997. This agreement set up a "jointly controlled provisional sea zone in the East China Sea," as talks continue over the establishment of Japan and China's adjoining EEZs.<sup>89</sup> The dispute over the Senkaku/Diaoyu islands resurfaces from

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<sup>82</sup> Ibid.

<sup>83</sup> FBIS-CHI-1996-1106 "Tokyo's Position on Sovereignty Over Senkaku Isles."

<sup>84</sup> Ibid.

<sup>85</sup> Kim, 65.

<sup>86</sup> Kim, 66.

<sup>87</sup> Ibid.

<sup>88</sup> Ibid.

<sup>89</sup> Ibid.

time to time depending on the environment of joint exploration.

Japan continues to view the Senkaku Islands for their fisheries and potential hydrocarbon deposits. Japanese rightists have pressed the sensitive issue and prompted Beijing to warn Tokyo about the potential damage to future nationalist occurrences.<sup>90</sup> Japan has responded by softening its approach to territorial disputes in the name of "deep consideration towards Beijing."<sup>91</sup> China has similar interests, especially in the field of oil exploration. Approximately 250 miles southeast of Shanghai, the PRC has begun drilling for oil in Block 33/08.<sup>92</sup>

### **3. Yellow Sea**

Another potential hot spot may be in the Yellow Sea basin between China and the southern tip of the Korean Peninsula. It is estimated that up to 10 million barrels of oil may be on the "silt line" boundary claimed by China.<sup>93</sup> A proper equidistant line would still place most of the basin on the Chinese side, but one of the most promising spots would be on the South Korean side.<sup>94</sup>

## **B. CHINA'S BASIC STANCE ON THE SOUTH CHINA SEA**

### **1. The South China Sea: Potential and Turmoil**

The area of greatest concern in the maritime realm in East Asia ironically is in the Southeast Asian sub region: the strategic chokepoint and flashpoint of the South China Sea. Disputes over islands and resources and China's

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<sup>90</sup> Ibid., 65.

<sup>91</sup> FBIS-CHI-2003-0102 "Yomiuri: Japan Taking 'Soft Approach' in Dealing With Territorial Disputes."

<sup>92</sup> Kim, 65.

<sup>93</sup> Valencia.

<sup>94</sup> Ibid.

claims of control of the area all pose concerns to all nations involved in commerce through the area. How does Beijing approach this issue and what are the counter arguments posed by neighboring countries. In addition, what could happen if conflict arose in the region? This chapter will seek to answer some of these questions.

## **2. Beijing's Approach to the South China Sea**

China's stance on the South China Sea derives from historical claims, evolving international law of the sea, and the increased importance of resources from the sea. The PRC claims a broad swath of water in the South China Sea as territorial waters, not inland waters, since the claims are based primarily upon two archipelagic chains, the Paracels (Xisha) and the Spratly (Nansha) Islands. The Paracels were claimed by both China and Vietnam. A larger contingent of the PRC, Taiwan (ROC), Vietnam, the Philippines, Brunei, and Malaysia claims the Spratlys. These claims are further made contentious by the fact that under international law, mainly the UNCLOS 1982, the islands claimed by a nation must be fit for human habitation at high tide, prompting the Chinese to build structures on stilts to maintain an inhabited presence to maintain their claims.

Beijing's approach to the South China Sea has been one of securing territory historically claimed to belong to China. Beijing asserts that discovery of the islands by the Chinese first occurred during the Han Dynasty (206 B.C.-220 A.D.) Chinese administration of the islands began in the Yuan Dynasty (1206-1368 A.D.) and mapping and

development ensued in the Ming Dynasty (1386-1644 A.D.)<sup>95</sup> Beijing also cites records dating as far back as the Song Dynasty (A.D. 960-1279) adding to the basis of their historical claim.<sup>96</sup> Moreover, during the Qing Dynasty (A.D. 1644-1911) China declared the Paracel and Spratly Islands as part of their sovereign territory.<sup>97</sup> From Beijing's perspective, this history alone, apart from the wealth of resources in the region, is a sufficient condition for it to consider the South China Sea as the second most important issue of national maritime security and sovereignty at sea.

During the Vietnam War, the issue of sovereignty over the islands in the South China Sea was not challenged due to North Vietnam's need for aid from the PRC and other members of the socialist bloc to fight the Americans. However, the ailing regime in Saigon held the Paracel Islands, and after the American withdrawal from Vietnam and imminent collapse of the Republic of Vietnam, China seized the Paracel Islands in 1974.

The changing international order during the Cold War and increasing importance of the sea for resources in the mid-to late 1970's prompted a movement to consolidate existing customary law of the sea into an actual international regime recognized by the United Nations, which eventually became the UNCLOS 1982 agreement. This

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<sup>95</sup> "Historical Evidence to Support China's Sovereignty over Nansha Islands," Ministry of Foreign Affairs of the People's Republic of China, [<http://www.fmprc.gov.cn/eng/5765html>], 14 December 2002.

<sup>96</sup> Denny Roy, *China's Foreign Relations*, (Lanham, Maryland: Rowman & Littlefield Publishers, Inc.), 1998, 185.

<sup>97</sup> Andrew J. Nathan and Robert Ross, The Great Wall and Empty Fortress: China's Search for Security, (New York: W. W. Norton & Company), 1997, 115.

arrangement set the general guidelines for the definition of boundaries at sea in terms of internal, territorial waters, and the high seas. Additionally, this agreement led to the formation of boundaries for zones of protection and exploitation by the individual countries owning seaward borders, such as contiguous zones, exclusive economic zones, and continental shelves. These, of course, dealt with the riches of the deep, including fisheries, hydrocarbon resources, and deep-sea minerals. The latter three largely remain untapped due to territorial disputes still being resolved and the technological difficulties of deep-sea oil drilling and extraction of minerals.

Beijing's major concern over the South China Sea in light of its declared sovereignty and the reinforcing international law is the ultimate exploitation of the resources in the region. China needs the South China Sea for its fisheries since it is a net importer of food. It also desires the possible hydrocarbon resources in the sea since it became a net energy importer in the 1990's. Due to its rising industrialization China needs energy resources. The issue of control of the South China Sea may become a Malthusian struggle to meet the task of feeding the growing and increasingly productive population of China. Without the potential resources in the South China Sea, the engines of economy and progress in China will starve and falter.

### **3. Beijing's Interests in the South China Sea**

First, the South China Sea is an issue of nationalism and political legitimacy for Beijing. It is a political issue both at the international level and at home, particularly when dealing with the conception of

sovereignty that Beijing has so skillfully manipulated in various policy pronouncements and platforms. One such policy in the international arena has been the "five principles of peaceful coexistence," which suggests to a large extent China's willingness to stay out of other countries' domestic affairs and conversely cautions other countries not to interfere in China's domestic affairs - particularly with regard to Taiwan and the South China Sea. The sovereignty of the South China Sea serves Beijing's interests as a two-level game: domestically by reinforcing the legitimacy of the Communist Party of China in reclaiming and maintaining China's sacred territory, and on the world stage by demonstrating that China has the might and the right to defend its territory in the face of competing claims by smaller countries in the region.

Economically, as stated before, the potential of the South China Sea may be significant. Its usefulness as a fisheries area is unquestionable and has led to concerns over pollution and over-fishing. As an energy producing area it is unquestionably important to China to be able to develop and tap its natural resources. The South China Sea is also the strategic thoroughfare of the high seas for all of East and Northeast Asia. China, Japan and the Korea's shipping all run directly through the region on their way to their ports of call. The impact of conflict over the islands in the region would most certainly lead to a state of paralysis for the shipping that transports not only over 90 percent of the commerce flowing from China and the Northeast Asian countries but also 90 percent of the resources required to keep the countries running and economically viable. Moreover, China's major trading

partner, the United States, conveys 90 percent of its trade by sea, further reinforcing the tremendous importance of the sea lanes in East Asia and Southeast Asia, including the South China Sea.<sup>98</sup> A closure of sea lanes through the South China Sea by any of the parties involved in disputes would deeply affect the countries involved and the interdependent world economy linked to these countries. The sea lanes in Asia will only become more important in the decades to come. Projections of the East Asian economy's current growth rate of 6 percent a year will make it one-third of the global gross domestic product by 2025.<sup>99</sup>

#### **4. Beijing's Approach to the South China Sea**

The South China Sea's importance is split among domestic and international constituencies. On one hand, Beijing plays up the importance of Chinese sovereignty over the region as the historical right of China. This works for domestic consumption and helps keep the fires of nationalism stoked toward a larger end of a complete and whole China, in a kind of Chinese manifest destiny. On the other hand, the international dimension of China's sovereignty in the South China Sea also has the added facet of more recent discoveries of a potential wealth of resources.

On the international level, the South China Sea is not only a matter of national sovereignty but also a matter of its right to the resources in the disputed area. This is especially so under the provisions of the UNCLOS, which dictate the right of nations to extract resources from

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<sup>98</sup> Tan Tai-Tiong, "East Asia & U.S. Need Each Other," *United States Naval Institute Proceedings*, March 2002, 64.

<sup>99</sup> Ibid.



their exclusive economic zones (up to 200 nautical miles from the coast) to their continental shelves (up to 200 nautical miles also.) Most of all, the issue of sovereign territory becomes an economic issue when dealing with the greater potential of the region.

In this same vein, the economic importance of the region is not just in the extraction of sea life for food, hydrocarbons, or deep-sea minerals, but also that of the sea lanes of communication. As mentioned before a staggering amount of trade to and from China and states that are inextricably linked to China through trade ties flows through the South China Sea. The importance of these sea lanes can be seen in the amount of military hardware Beijing buys and develops for use in the area, combined with shows of force. Recently the naval and air units of the PLAN conducted an exercise titled Shensheng (Sacred) 2002.<sup>100</sup> The annual exercise is the culminating joint training operation for the PLAN's South Sea Fleet.

Additionally, the massive fishery areas in the South China Sea and their well being are of great concern to Beijing in light of China's increasing reliance on food importation. Conservation of the fisheries resources in the South China Sea is gaining increasing attention from government officials, as evidenced by a recent two-month fishing ban in the area.<sup>101</sup> This follows a fishing ban of 1999 in the South China Sea, which followed two complete bans in the East China and Yellow Seas in 1995.<sup>102</sup> Beijing

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<sup>100</sup> "China's Military Exercise Near South Sea Is Annual Routine," *Hong Kong.com*, 22 November 2002 via *FBIS*.

<sup>101</sup> "Fishing Industry Benefits Following Two Month Ban in South China Sea," *Beijing Xinhua*, 11 September 2002 via *FBIS*.

<sup>102</sup> *Ibid.*

has also become acutely aware of the problem of pollution, and as recently as September 2002 it had to deal with foreign vessels polluting the waters of the South China Sea.

#### **5. Instruments and Channels of PRC Policy in the South China Sea**

In dealing with foreign governments on the South China Sea, Beijing prefers a bilateral mode and only secondarily through multilateral institutions such as ASEAN.<sup>103</sup> As with many issues, China bilaterally can exert its overwhelming power and historical relationships with smaller countries bordering the South China Sea, giving Beijing leverage. The least preferred method is that of dealing multilaterally against the Southeast Asian states in ASEAN (Association of Southeast Nations), which display a classical balancing behavior against China to check the People's Republic's power.

China has used military force to back its diplomacy several times during the last three decades. Beijing resorted to military force in 1974 using naval and air forces against Vietnam to seize control of the Paracels, in 1988 against Vietnam to seize control of some of the Spratlys, and finally in 1995 against the Philippines over Mischief Reef.<sup>104</sup> This alone shows not only the classic Clausewitzian breakdown of diplomatic means to solve a dispute, but also Chinese willingness to use force to intimidate and reinforce their sovereignty with neighboring states over the South China Sea and its islands.

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<sup>103</sup> "Basic Stance and Policy of the Chinese Government in Solving the South China Sea Issue," *Ministry of Foreign Affairs of the People's Republic of China*, [<http://www.fmprc.gov.cn/eng/5747html>], 14 December 2002.

<sup>104</sup> Nathan and Ross, 116.

Interestingly, Beijing and Taipei both control islands within the South China Sea and often work harmoniously together to dominate the region.

Current indicators of acknowledgment of China's sovereignty over the South China Sea place the prospects of Beijing's claim remaining stable. It is converting economic power into military might to support operations in the South China Sea, which is the second highest maritime security concern behind a contingency with Taiwan. In an unorthodox turn, China has agreed with ASEAN to reach an agreement with Beijing over the South China Sea.

Beginning with a China-ASEAN informal summit in 1997 the two parties worked to address the problem of the South China Sea.<sup>105</sup> November 4, 2002 the parties reached an agreement and signed the Declaration on the Conduct of Parties in the South China Sea at the conclusion of the sixth China-ASEAN Summit (10+1.)<sup>106</sup> Chinese Premier Zhu Rongji signed for China and reiterated with the ASEAN representatives the need for "good neighborliness and mutual trust and to safeguarding peace and stability in the South China Sea region."<sup>107</sup> The declaration and attendees further stressed the need for peaceful resolution of disputes in the region "through friendly coordination and negotiation."<sup>108</sup> China and ASEAN all reaffirmed their

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<sup>105</sup> "Basic Stance and Policy of the Chinese Government in Solving the South China Sea Issue."

<sup>106</sup> "China, ASEAN Sign Code of Conduct on the South China Sea," *People's Daily*, 05 November 2002, [[http://english.peoplydaily.com.cn/200211/05/eng20021105\\_106254.shtml](http://english.peoplydaily.com.cn/200211/05/eng20021105_106254.shtml)], 14 December 2002.

<sup>107</sup> "China, ASEAN Sign Declaration On Code Of Conduct In South China Sea," *Beijing Xinhua*, 04 November 2002 via *FBIS*.

<sup>108</sup> *Ibid*.

commitment to the United Nations Charter, UNCLOS 1982, the Treaty of Amity and Cooperation in Southeast Asia, and the five principles of peaceful coexistence in the declaration.<sup>109</sup> This agreement further reinforced China's recent White Paper on National Defense, which followed five weeks after the ASEAN-China agreement on the South China Sea.<sup>110</sup> All signs point toward China's continued sovereignty over its claims in the South China Sea and the benefits that follow from ownership of the region. If any conflict is likely within the region, it is of medium-term concern with Chinese, ASEAN, and other international regimes and institutions holding matters in place.

**C. U.S. INTEREST IN TERRITORIAL DISPUTES IN EAST ASIA AND THE SOUTH CHINA SEA**

The U.S. makes a point to remain outside of the debate over disputed islands in East Asia. American distancing policy in the South China Sea and Tokdo/Takeshima and Senkaku/Diaoyu islands disputes lends welcome consistency in maritime foreign policy beneficial for East Asia. In all likelihood, the situation will remain static, but strained. The disputed territories and unresolved ownership are largely ignored in the Sea of Japan and East China Sea. However, the South China Sea remains the most salient flashpoint pertinent to the security interests of East Asia. With this disputed sea, above all else, the United States endorses freedom of navigation. This policy of ambivalence and continued presence in East Asian waters aids the U.S. security goal of preserving the flow of

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<sup>109</sup> Ibid.

<sup>110</sup> "China Issues White Paper on National Defense," *People's Daily*, 13 December 2002, [[http://english.people.com.cn/200212/09/eng20021209\\_108183.shtml](http://english.people.com.cn/200212/09/eng20021209_108183.shtml)], 13 December 2002.

commerce. Engaging the regional navies in East and Southeast Asia over the issues of the South China Sea remains the best solution to this potential maritime choke point.

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## **V. NAVAL ARMS IN EAST ASIA**

### **A. NAVAL ARMS RACE EAST ASIA?**

Is a naval arms race emerging in East Asia as a natural reaction to the end of the Cold War and emergence of less stable multipolar order? Is the purchase of increasingly complex naval arms in the region simply modernization or part of expansive maritime policies by Japan, South Korea, and the PRC? To answer these questions, the concept of an arms race must first be examined and then applied to each state's concept of maritime security.

#### **1. History of Naval Arms Races**

Strictly defined, an arms race can be seen as "literally a competitive building up of armaments between two actors in conflict. The basic process in the arms race is the action-reaction pattern."<sup>111</sup> In the maritime realm, throughout history there have been numerous arms races initiated by leaders, transformational technologies, and empire building. A naval arms race between imperial Germany and the United Kingdom helped prompt World War I. The Washington and London Naval Conferences sought to prevent a recurrence and signaled to naval powers in Asia that they were not accorded the same level of respect of the European and American navies. The treaties ultimately lapsed in 1936 in time for the naval building programs in Japan and the United States. After World War II, the Warsaw Pact and North Atlantic Treaty Organization countries--most notably the Union of Soviet Socialist

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<sup>111</sup> Graham Evans and Jeffrey Newnham, *The Penguin Dictionary of International Relations*.

Republic and the United States—engaged in a tit-for-tat naval arms race, building submarines, carriers, cruisers, and aircraft to counter each other at sea.

## **2. Post-Cold War Fears**

As stated before, the conclusion of the Cold War brought about fears of a maritime power vacuum in East Asian waters. The former navy of the Soviet Union withdrew to Vladivostok and other ports in the Russian Far East, while the United States Navy and its allies remained on station filling the potential void. Barring a major shift in American foreign policy, the United States Navy will continue plying the waters of East Asia. The economic stake America has in the globalizing and integrating economies of Asia inhibits withdrawing its military presence. More than anything, the United States maintained its presence to sustain the status quo.

What has emerged in East Asia reflects the efforts of are those countries fortunate enough to convert economic prosperity into the foreign policy instruments of maritime power—namely, Japan, the Republic of Korea, and the PRC. In building increasingly powerful fleets to ensure the security of their maritime interests, these three countries find themselves focused on various internal and external forces that shape their decisions in building and training their fleets. The internal aspect lies between the three nations and their respective immediate security threats, but the external facets are manifold. For example, China must not only deal with ASEAN navies, but also the Indian "Look East" policy, which has recently gained a partial maritime patron in the United States Navy.



The concept of a naval arms race as defined in the 21st century does not come with the grand apocalyptic sweep of Jutland, Midway, or the Russo-American battle over the Atlantic that never materialized. Instead, the nations of East Asia work within their means and purchase weapon systems and initiate training programs based on territorial defense and preexisting conflict. One has only to look so far as the systems being developed to understand the limited scope of naval modernization in East Asia. However, the internal and external forces driving the development and modernization of East Asian navies must first be thoroughly examined.

The underlying dilemma in a maritime arms race in East Asia stems from balance the three states seek in their domestic and foreign policy. Will China, Japan, or South Korea use a naval buildup as means to exert national power over the broader swath of the Asian sea lanes, or will economics torpedo fleeting hopes of grand Asian armada? To answer this question the pattern of acquisitions and employment may be considered. Moreover, on a higher level, each nation must predict the reaction of the others to rising competition. For example, does Beijing really want to give the PLAN an offensive power projection force beyond Chinese waters? Additionally, what is the true direction of reforms in the Japanese MSDF's overall doctrine shift? Additionally, how realistic is it to expect the ROKN to operate at extended distances? Lastly, what domestic ends do naval power serve, especially in the two democracies of East Asia?

## B. ARMS PROLIFERATION IN FLEETS

The end of the Cold War signaled a shift not just in international relations, but also in maritime security. The nations maintaining fleets in support of superpower allies and those with fleets for limited, fleet-in-being territorial defense look outward to a new reality. The remaining maritime superpower, the United States, reinforced the shift from massive fleet on fleet engagements voiced in its earlier *Maritime Strategy* to a littoral strategy in *...From the Sea* to suit to the new reality.<sup>112</sup> *From the Sea* has since been replaced with the United States Navy's new vision *Sea Power 21*, which takes further into account the new global war on terrorism and the Bush Administration's preemptive doctrine.

The question of naval arms race emerging from this new security paradigm presents a new set of questions as to why East Asian navies continue purchasing increasingly complex weapon systems. Moreover, along with the material advances at sea observers must also take into account the quality of infrastructure and training supporting the forces involved. With this in mind, the East Asian navies need to be evaluated with a full lens of understanding. Arms observers will decry the transfer of numerous weapons systems to and from various navies without fully realizing the true impact. As one naval commentator points out in *Maritime Forces in Global Security*, "For example, differences in infrastructure, at sea time, training, strategy, and tactics give...very different combat potential

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<sup>112</sup> Ann Griffiths and Peter T. Haydon, eds. *Maritime Forces in Global Security*. Halifax, NS. Centre for Foreign Policy Studies, Dalhousie University, 1995, 83.

[to] the Russian, Iranian, and Algerian navies."<sup>113</sup> Moreover, this equipment is profoundly affected by its operating environment.<sup>114</sup> The Kilo diesel submarine again serves as an example. Designed for operations in the Soviet navy in the northern latitudes, the Kilo experienced serious problems with higher seawater temperatures, increased corrosion, and battery problems.

Beyond the tactical-operational level of arms proliferation, the question of naval arm proliferation may be evaluated on whether navies acquire systems and embark on programs with goals above the dictates of self-defense. To crystallize this notion, one has only to look so far as the long-term building programs of each navy. The trend running through all three maritime forces--the PLAN, MSDF, and ROKN--is that none is building combatants above the size of destroyer. Japan recently launched a helicopter carrier/troop transport ship, but it is not capable of fixed wing operations, nor does Japan possess vertical short take off and landing (VSTOL) capability, as with aircraft like the Harrier jump jet. As such, Japan is not vying to expand its capability beyond that of robust self-defense. Some may say that by operating with the US and in some cases as part of US carrier battle groups tie Japan and South Korea into operating combatants of limited size and scope, however, the new realities of naval construction and extended logistics make platforms destroyer-sized and below the most cost-effective and versatile assets a modern navy can possess.

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<sup>113</sup> Ibid., 85.

<sup>114</sup> Ibid., 86.

A simple reality in the shifting of naval strategy and thought is the fact that smaller platforms now outperform their traditionally defined roles. States can now build navies almost entirely composed of frigate and destroyer-sized ships to protect extended coastlines. Submarines, especially in the confined waters of East Asia, increase in value for their stealth and economy in force.

### **C. THE PEOPLE'S REPUBLIC OF CHINA**

Undoubtedly, the Chinese are taking great leaps toward a more maricentric orientation. The emergence of their economy and concentration of production and wealth on the Chinese coast is a shift back to the times of old. However, to support this buildup on the coastline, they have largely invested only in destroyer and frigate-sized combatants. Even with the inclusion of the newly acquired *Sovremenny*, destroyers from Russia, their naval strategy for power projection out to the second island chain is incomplete for without air cover and, more importantly, logistical support. The acquisition of *Kilo* submarines from Russia also presents a new dimension, but ultimately falls prey to problems of logistics and maintenance.

Both naval weapon systems, *Sovremenny* and *Kilo*, are short-term solutions to a pressing long-term problem: Taiwan. They are counters to specific threats of the de facto U.S. support for Taiwan. They are not viable, however, in a joint operating arena with air and submarine power surpassing the capabilities of the PLAN, PLANAF, and PLAFAF. In the end, if conflict does come to the waters off of Taiwan in the East Sea Fleet's area of operations, Chinese capability to deter Taiwanese and other forces may

be held at arm's length or destroyed by a coordinated Taiwanese naval/air force and U.S. naval airpower.<sup>115</sup>

Future purchases of Russian arms, newer indigenously produced vessels, and operating patterns outside of home waters point to more worrisome trend in China's maritime power. Several PLAN submarines were reported east of Taiwan in 2002.<sup>116</sup> The pending purchase of eight additional Kilo class submarines of the Project 636 variety, with an option to purchase three more, leads to increased concern in Taiwan of a submarine blockade, especially when the armaments of these new Kilos is taken into account. The June 2002 Sino-Russian submarine contract called for up to eleven boats armed with 3M45E Klub-S subsonic anti-ship missiles, which would upgrade the PLAN's anti-surface mission capability.<sup>117</sup> Contract disputes have delayed the addition of another two Sovremenny destroyers from the original delivery dates of 2005 and 2006 to the PLAN.<sup>118</sup> China signed the contract on May 10, 2002 after Russian internal strife over which yard, Severnaya or the Baltic Shipyard, would build the pair.<sup>119</sup> Intriguingly, very few modifications have been made to this 35-year old design other than new helicopter facilities on the ordered Chinese pair.<sup>120</sup>

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<sup>115</sup> Taiwan possesses American-built E-2 Hawkeye airborne early warning aircraft thus constituting a viable airborne warning and command and control system (AWACS).

<sup>116</sup> Baker, March 2003, 46.

<sup>117</sup> Ibid.

<sup>118</sup> Ibid, 48.

<sup>119</sup> Ibid.

<sup>120</sup> Ibid.

It may also be said that the instruments of sea control have changed with the end of the Cold War and the purported Revolution in Military Affairs in progress. The Chinese, with their limited funding for naval expansion, might use conventional asymmetries, like submarines, in future conflict, combined with the unconventional. After all, they do not seek a Jutland with an enemy fleet. Instead, in the short to mid-term, the PRC and in turn the PLAN will not act in the presence of an overwhelmingly superior enemy.

The much-ballyhooed idea of a Chinese carrier is intriguing but a long-term concept. Carrier hulls have been purchased from Australia and Russia, but none are projected to be placed in service. The Chinese may have acquired them for research, but Beijing appears to regard the development of a carrier as prohibitively expensive. Moreover, the Japanese Office of Developmental Assistance linked loans to China to not developing a carrier. In addition, operation of a carrier requires years of training both for pilots and for crew operating the vessel. With all of these factors taken into account, a Chinese carrier is a long-term prospect, not unlike the development of the entire armed service.

What is particularly daunting about the PLAN is not its current abilities, but its future. Caution must be exercised, and the PLAN's development of capability must be closely watched. Indicators of success for the PLAN will come in the form of capabilities such as C4ISR (Command, Control, Communications, Computers, Information, Surveillance, and Reconnaissance), Over the Horizon

Targeting (OTH-T), anti-air, anti-submarine, and, most importantly, logistics. In the near term, the PLAN will concentrate on consolidation and proficiency in new, more efficient use of naval combat force. Additionally, Chinese interest in the Revolution in Military Affairs (RMA) at sea has limited but worrisome implications. Almost exclusively written and theorized on by elites with the Chinese defense sector, the RMA has long-term implications to augment the capability of the PLAN and Chinese foreign policy goals, as Michael Pillsbury points out in "Chinese Views of Future Warfare."<sup>121</sup> If the Chinese RMA were to succeed, it would have serious ramifications on how the ROKN, JMSDF, and USN operate in East Asia for its disruptive capabilities. These developments, coupled with extended deployments into the South China Sea and beyond, should serve as notice to the world of China's maritime achievement. However, for the time being, China is a nation with tremendous potential maritime and naval power but still ranks behind Japan.

#### **D. JAPAN**

The mission of the MSDF may not change for the immediately foreseeable future, even as Japan incrementally adjusts and reviews its defense posture. By all accounts, Japan is not embarking on an offensive oriented naval building initiative. Instead, Japan is continuing towards extending its reach in the War on Terrorism and for humanitarian intensions. Japan is still the most capable naval and maritime power in East Asia and will remain so for the foreseeable future, despite economic stagnation.

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<sup>121</sup> James Lilley and David Shambaugh, *China's Military Faces the Future*, (Armonk, NY: M. E. Sharpe), 1999.

American patronage and extended maritime power preserves Japan's position.

Naval construction in Japan currently proceeds in three main combatant categories: submarines, destroyers, and guided missile patrol craft. Maintaining a force level of 16 diesel submarines, Japan intends to continue slowly replacing older boats with the 3,600-ton *Oyashio*-class.<sup>122</sup> Like the ROKN, Japan is actively looking into air independent propulsion (AIP) for its submarines by using its *Harushio*-class submarine the *Asashio* as a test platform for this new technology since 2000. The destroyer force also is undergoing gradual modernization with the commissioning of two *Murasame* and three *Takinami*-class vessels this year. Japan is actively planning two 10,000 ton (a size approaching that of cruiser) successors to the *Kongo*-class destroyers with the first slated for commissioning in 2007.

Japan is continuing to build vessels of the submarine, patrol craft, and destroyer caliber to defend its interests. The most interesting development of late is the MSDF placing into commission a light helicopter carrier of the *Osumi*-class, ostensibly to assist in humanitarian operations as well as anti-submarine warfare, a mission growing with the expansion of the PLAN's submarine force. The MSDF remains a strong force for peace and stability in East Asia. Technologically advanced and highly professionalized, it possesses the command and control, anti-air, anti-submarine, and logistics capabilities the PLAN and ROKN ultimately covet.

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<sup>122</sup> Baker, 46.



#### **E. REPUBLIC OF KOREA**

South Korea's striving for peace on the peninsula motivates its cautious naval development. The KDX series of frigate/destroyers, under development and entering service, and being produced in three sets of three in increasing order of complexity. In addition, the ROK is producing three Howaldtswerke Type 214 AIP submarines under contract.<sup>123</sup> The Hyundai yard at Ulsan took delivery of \$590 million worth of equipment to produce the Type 214 intended to augment the ROKN's Type 209/1200 submarines built under contract at Daewoo in Okpo.<sup>124</sup>

The ROKN possesses an expanding force of indigenously produced destroyer and frigate sized ships capable of blue water operation, namely the Hyundai and Daewoo produced KDX series. Three ships of three different tonnages and weapons suites: KDX-I displacing 3,855 tons, KDX-II displacing 5,000 tons, and KDX-III displacing 7,000 tons.<sup>125</sup>

KDX-I and KDX-II classes already have units in commission and in pre-commissioning. KDX-III is in the final design process at Hyundai Shipyard, Ulsan.<sup>126</sup> A heated competition between Lockheed Martin and Thales over the combat systems suite of the KDX-III led to the Aegis system being selected for its interoperability with the United States Navy and Japan Maritime Self Defense Force in the likelihood of a Theater Missile Defense (TMD) scenario,

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<sup>123</sup> A. D. Baker, III, "World Navies in Review," *United States Naval Institute Proceedings*, March 2002, 34.

<sup>124</sup> Ibid.

<sup>125</sup> Ibid., 39

<sup>126</sup> Ibid.

still a contentious issue in inter-Korean and Sino-Korean politics.

Because of its position, and dilemmas associated with the reunification with North Korea, the ROKN has a less prominent role in power projection and reserves the defense of extended SLOCs for wartime. Admirably South Korea is looking outward towards a long-term goal. The grand vision of the ROKN is constrained ultimately by the fiscal realities of reunification and the economic straits of South Korea. The Asian financial crisis of 1997 set the ROKN back in terms of development and has tempered its acquisition plans.

**F. OVERALL DIRECTION OF AN EAST ASIAN MARITIME NAVAL ARMS**

East Asian navies overwhelmingly continue to procure cost effective vessels, especially destroyers and submarines. Augmented with land-based patrol, fighter, and strike aircraft, these navies rely almost exclusively upon these ships to carry out the mission in the immediate vicinity of their countries. Compared with previous naval arms races, the East Asian navies are not building vessels at high volume rate with appreciable power projection capabilities. Instead, they are procuring vessels to meet limited goals and in most cases are not building ships to counter one another, a classic behavior in arms races.

The United States must continue to engage the region's navies given the importance of East Asia economically to America. The procurement of naval arms by Japan and South Korea is seen in favorable terms because the systems are indigenously produced and of American origin. The slow expansion outward of the JMSDF and ROKN alleviates need for

an enlarged American presence in the region and allows the United States to concentrate on new initiatives in the region and elsewhere in the War on Terrorism. China's naval growth must be watched closely and carefully. The acquisition of Russian systems changes the balance of power of East Asian maritime security, but not inexorably. China's domestic production, like Japan and the ROK, is incomplete. While China produces a massive amount of commercial tonnage, it still lags behind in the fine systems-level component of warship fabrication. Moreover, the PRC's production of warships remains restricted by domestic and international factors.

East Asia's navies continue increasing in size, but retain a limited scope of activities. The low rate of warship production and types of vessels under construction are not indicative of a rising arms race. On the contrary, East Asia's navies complement each other in their ability to protect the SLOCs of the region by the regional operations and restraint in further construction.

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## **VI. CONCLUSION**

### **A. MARITIME SECURITY PROSPECTS IN EAST ASIA**

The state of maritime security in East Asia is stable; however, several events or development could inexorably shift the balance toward greater conflict. First, the deterioration or enhancement of the situation on the Korean Peninsula could alter the framework of the maritime security structure. Next, conflict over Taiwan and the roles the ROKN and MSDF play in the clash would signal a more ominous shift. Lastly, a conflict in the South China Sea would have the direst of consequences for the entire region in disruption of the freedom of navigation through the region and flow of resources.

A war on the Korean Peninsula would influence Japan and South Korea the most directly in the maritime realm. American complicity in the beginning of such a conflict would further complicate matters. However, the upside of Korean reunification could mean the reemergence of the former Hermit Kingdom's maritime influence. After the potential economic and governmental hangover of unification, Korea must determine its course in the future of East Asian maritime affairs.

#### **1. Future Conflict**

Given the huge economic ramifications of protracted maritime conflict in East Asia and the potential for serious disruptions in energy supplies to this dependent region, conflict will be preemptive and abrupt. Geopolitically, this is the most viable solution for the three maritime powers in case of irresolvable conflict in

the region. The Bush Doctrine enunciated at West Point<sup>127</sup> spoke to preemptive action by the preeminent power in the Asian-Pacific region.

This trend in diplomacy will drive the maritime powers to this end. Some factors, such as the Korean reconciliation process, hold nations in place with the hopes of peacefully resolving issues. Others, like the potential conflict between Taiwan and the mainland, merely need the tinder of another ill-advised ROC presidential visit or declaration of independence to spark conflict on a greater scale. If the conditions ripen for conflict over Taiwan, the war at sea most likely could come quicker than the United States might like, followed by negotiations to sue for peace. Whereas time is against the PRC regarding the situation on Taiwan, time would not be in the mainland's favor against the ROC if aided by a de facto ally.

## **2. Prospects for Maritime Cooperation**

Like overall security cooperation in East Asia, maritime security cooperation has proceeded at a slow pace. Though various non-governmental forums exist on this subject, little has been done to solidify the maritime security of East Asia amongst the three primary naval powers. One possibility for enhancing the security of the region's nautical regime lies in preexisting bilateral organizations. The Sino-American Military Maritime Cooperation Agreement may be just one example of a possible framework. However, for a consolidated vision of maritime

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<sup>127</sup> "Bush Calls West Point Graduates to Service in Anti-Terror Fight,"  
[<http://www.globalsecurity.org/military/library/news/2002/06/mil-020601-usiaolb.htm>], 19 March 2003.

security to succeed all naval powers in East Asia, including the United States, must be made equal partners. The Chinese, for example, will not accept a maritime security organization with overwhelming U.S. or Japanese direction. Conversely, the Japanese and Koreans will may not accept overwhelming Chinese influence just as well.

### **3. U.S. Interests in the Maritime Security in East Asia**

The United States interest in the region is exacerbated by both the tyranny of distance and long-standing foreign policy goal of preventing a single power from dominating the region. The Quadrennial Defense Review (QDR) made strides towards ameliorating this by ordering the Chief of Naval Operations to look into basing nearly an additional battle group's worth of assets in the Western Pacific, ostensibly in Guam. This part of the QDR seemingly focused on supporting the strategy of deterring forward. As a forward deterrent force the U.S. Navy will be able to prevent aggression and coercion towards American forces and allies by tailoring forces to the requirements of East Asia.<sup>128</sup>

This is not to say that the United States needs to place more forces in the region. The QDR's guidance may signal a shift southward to protect the vital SLOCs for East Asian expansion. Instead, forces in the Pacific should be shifted accordingly and provided increased funding priority. With exception to Central Command's heavy burdens in Afghanistan, the Persian Gulf, and the War on Terrorism, the Pacific Command now more than ever

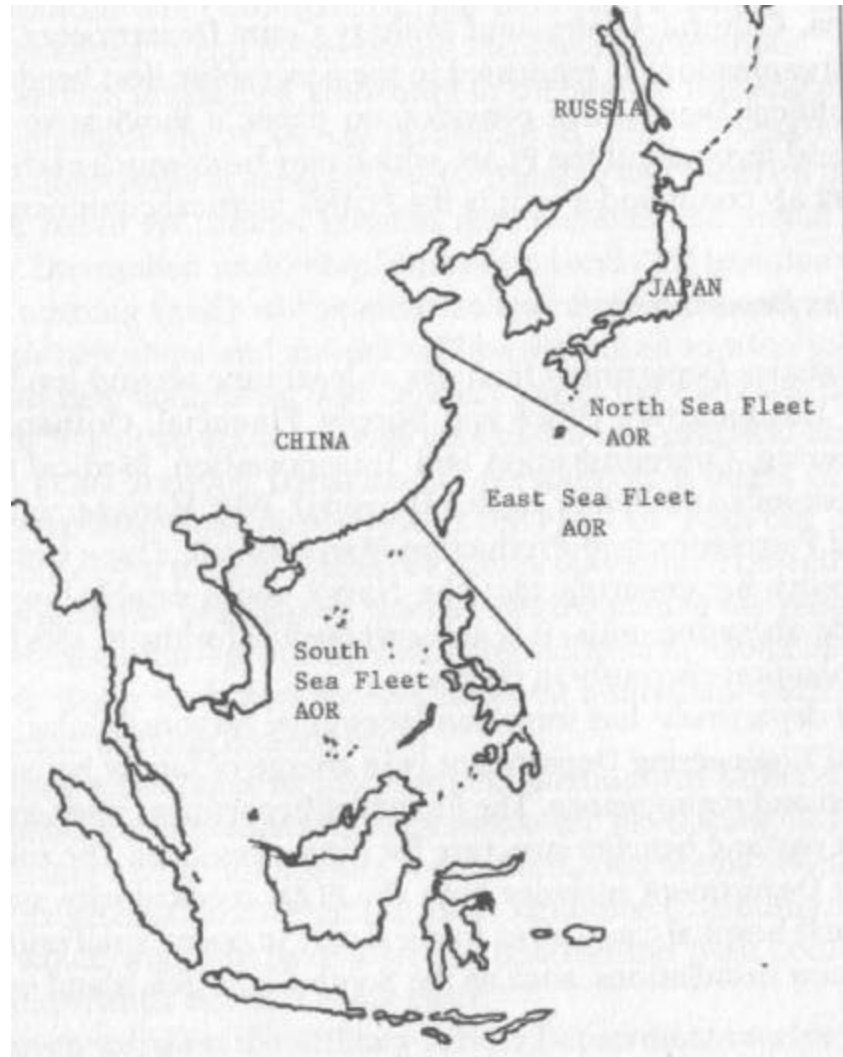
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<sup>128</sup> United States Department of Defense, *Quadrennial Defense Review Report*, 30 September 2001, (Washington, DC: GPO, 2001), 20.

deserves greater priority in funding and attention. The lack of a regional security framework and rising great powers in the form of Japan and China dictate this need.



APPENDIX A. PLAN FLEET AREAS OF RESPONSIBILITY



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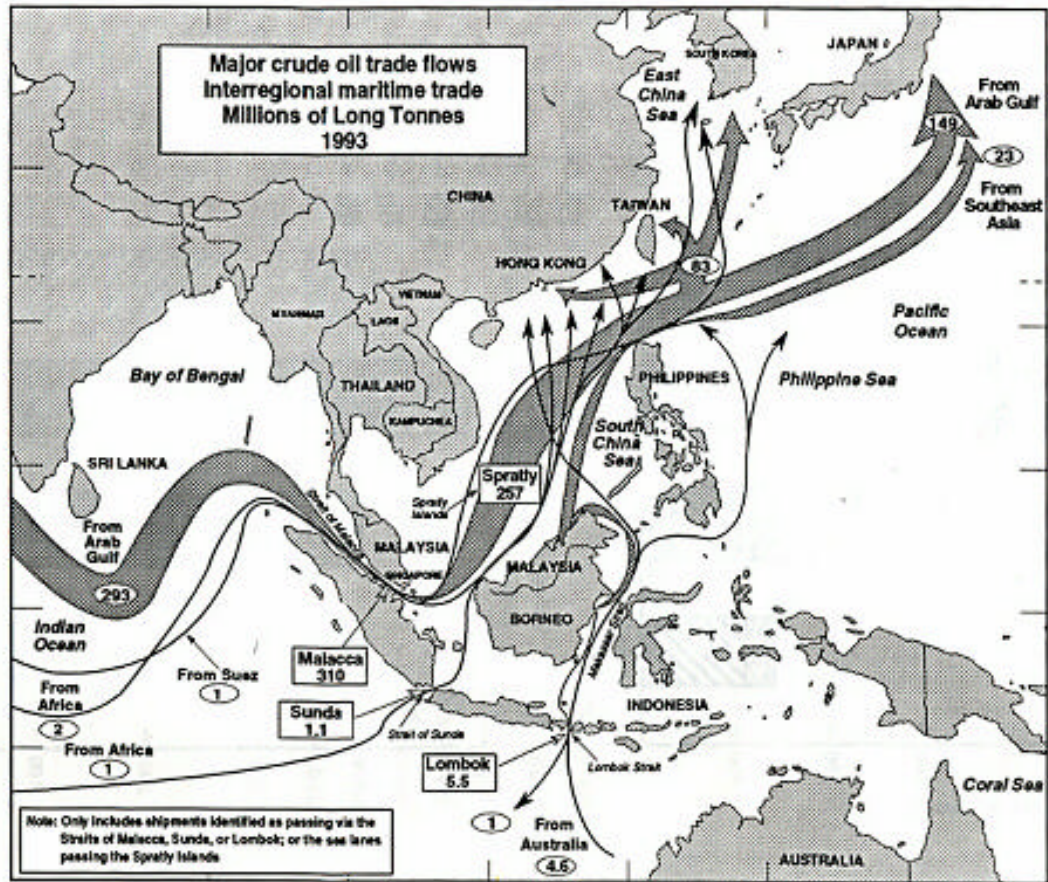
## APPENDIX B. JMSDF DEFENSE DISTRICTS



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## APPENDIX C. MARITIME OIL FLOWS TO EAST ASIA

Interregional maritime crude oil shipments: Millions of Long Tonnes (MLT)



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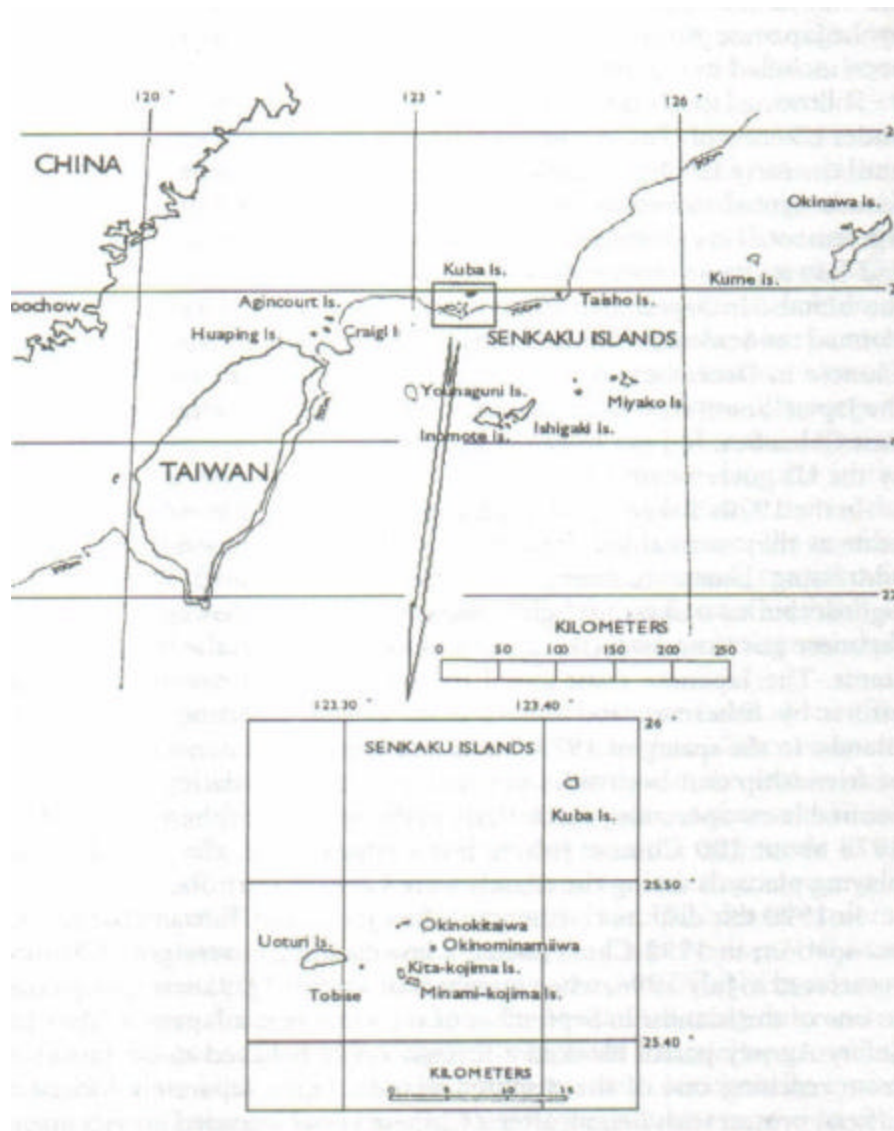
## APPENDIX D. THE TOK DO/TAKESHIMA DISPUTE



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## APPENDIX E. THE SENKAKU/DIAOYOU ISLANDS DISPUTE



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APPENDIX F. PRC CLAIMS IN THE SOUTH CHINA SEA



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# APPENDIX G. CLAIMS AND OIL CONCESSIONS IN THE SOUTH CHINA SEA



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